

AFFIDAVIT

STATE OF GEORGIA

COUNTY OF FULTON

BEFORE, ME, the undersigned authority, duly commissioned and qualified in and for the State and County aforesaid, personally came and appeared John C. Klick, who being by me first duly sworn, deposed and said that:

He is appearing as a witness before the Alabama Public Service Commission in Docket. No. 29054 on behalf of AT&T Communications of South Central States, LLC., and if present before the Commission and duly sworn, his Rebuttal testimony would be set forth in the annexed testimony consisting of 55 pages and 10 exhibit (s).



SWORN TO AND
SUBSCRIBED BEFORE ME
THIS 4th DAY
OF March, 2004.

Olmachukwu
NOTARY PUBLIC

My Commission expires:

Notary Public, Gwinnett County, Georgia
My Commission Expires Jan .21, 2005

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1 **I. INTRODUCTION**

2 **Q. PLEASE STATE YOUR NAME, TITLE AND BUSINESS ADDRESS**

3 A. My name is John C. Klick. I am Senior Managing Director of FTI Consulting,
4 Inc.'s Network Industries Strategies group, with offices at 1201 I Street, N.W.,
5 Washington D.C. 20005.

6 **Q. PLEASE BRIEFLY DESCRIBE YOUR EXPERIENCE AND**
7 **QUALIFICATIONS.**

8 A. Since graduating from Bates College in 1970 with a Bachelor of Sciences degree
9 in Mathematics, I have been continuously involved in the analysis of costing,
10 economic and financial issues for network industries such as railroad and pipeline
11 transportation, electric utility transmission and telecommunications. Much of this
12 analytical work has resulted in testimony before state and federal regulatory
13 agencies, arbitration panels, and the courts.

14 In particular, since passage of the Telecommunications Act of 1996 ("1996 Act"),
15 my staff and I have been involved in the analysis of many of the Cost Proxy
16 Models that have been used by the parties to develop TELRIC-based UNE prices
17 in various state proceedings. I have testified in more than 35 states on both the
18 economic frameworks of these models and the detailed ways in which these
19 models implement their economic assumptions. I have also provided testimony
20 on the modeling of collocation costs in numerous state proceedings, and
21 testimony to the FCC on certain "business case" models that have been submitted
22 in the past by incumbent local exchange carriers ("ILECs") in efforts to

1 demonstrate that competitive local exchange carriers (“CLECs”) can profitably
2 enter the market without access to certain unbundled network elements (“UNEs”).
3 Recently, I filed testimony in the FCC’s TELRIC proceeding on a variety of
4 issues relating to the calculation of forward-looking costs.

5 Finally, I have significant experience with the ways regulators have addressed
6 similar issues as they have arisen in the evaluation of prices in other network
7 industries. A detailed summary of my qualifications is set forth in Exhibit No.
8 JCK-1.

9 **Q. WHAT IS THE PURPOSE OF THIS REBUTTAL TESTIMONY?**

10 A. AT&T Communications of Alabama, Inc. (“AT&T”) has asked me to respond to
11 the Direct Testimony of James W. Stegeman and Debra J. Aron, which was filed
12 on behalf of BellSouth Telecommunications, Inc. (“BellSouth”) on January 20,
13 2004. For reasons that I explain below, the Alabama Public Service Commission
14 (“Commission”) should conclude that the showing made by BellSouth’s witnesses
15 is not adequate to demonstrate lack of impairment in any market in Alabama.

16 **Q. HOW IS YOUR TESTIMONY ORGANIZED?**

17 A. In Section II, below, I address the BellSouth Analysis of Competitive Entry
18 (“BACE”) model, which is presented in the testimony of BellSouth witness James
19 W. Stegeman. In that section, I explain why the BACE model – in its current
20 form – cannot reliably be used by the Commission to fairly analyze the “business
21 case” economics of competitive entry by competitors seeking to serve mass

1 market customers in Alabama. In particular, Mr. Stegeman has failed to provide a
2 version of the model that can be used to evaluate, test and modify the complex
3 calculation, “optimization,” and “filtering” portions of the BACE model.

4 In Section III, I describe several of the inputs to the BACE model run submitted
5 by BellSouth for Alabama that I believe serve to substantially overstate the
6 potential profitability of CLEC entry using UNE-L. I also provide sensitivity runs
7 of the BACE model that quantify the effects of using more reasonable input
8 assumptions. Finally, Section IV of this statement describes a series of
9 anomalous results that have been generated by altering certain inputs to the BACE
10 model submitted by BellSouth for Alabama. These results call into serious
11 question the reliability of the BACE model, and are significant enough to warrant
12 rejection of BellSouth’s conclusions about impairment. As suggested by my
13 discussion in Section II, this latter analysis has been hampered by Mr. Stegeman’s
14 failure to provide a fully documented and completely open BACE model for
15 analysis in this proceeding.

16 **Q. CAN YOU SUMMARIZE SOME OF THE KEY FINDINGS OF YOUR**
17 **ANALYSIS OF THE BACE MODEL?**

18 A. Yes. Ultimately my testimony will demonstrate two things. First, replacing a few
19 of the unsupported input assumptions within the BACE model (such as ultimate
20 market share, rate of penetration and retail price assumptions) effectively
21 eliminates the profitability hypothesized by BACE for an efficient CLEC. This
22 result should not be surprising. The TRO suggests that actual market evidence of

1 entry is an important consideration in evaluating impairment. Little appreciable
2 entry has occurred in Alabama in the past seven years under UNE-P. Absent
3 UNE-P, a CLEC will incur significant additional entry related costs associated
4 with transport, digital loop carrier equipment, collocation arrangements, “hot cut”
5 charges (to move the loop from the ILEC switch to the CLEC switch) that will
6 only reduce the economic incentives for CLEC entry into the Alabama mass
7 market. The significant change in the CLEC’s financial profitability that
8 BellSouth’s BACE model predicts for Alabama is neither supported by market
9 evidence or economic theory.

10 Second, my testimony will demonstrate that numerous anomalous results in the
11 BACE model suggest programmatic errors in the visual basic source code that
12 underlie the model. For example, changing the so-called subscriptions that
13 receive the bundle discounts eliminates any CLEC profitability. Since none of the
14 BACE calculations can be modified, it is nearly impossible to audit and verify the
15 calculations.

16 In order to begin to understand the effects of altering specific input assumption, I
17 undertook several different sensitivity runs of BellSouth’s BACE model for
18 Alabama. Each of these sensitivity analyses will be discussed in detail later in my
19 testimony, but I have included this summary table here to illustrate both the
20 magnitude of the errors that I have found in BellSouth’s model, and the counter-
21 intuitive results inherent in the model run that BellSouth presented in its Opening.
22 BellSouth’s conclusion that mass market customers are highly profitable

1 (accounting for approximately 65 percent of the profitability within Alabama)
 2 contradicts the reality that CLEC entry in the real world is more heavily focused
 3 on larger business (or enterprise) customers.

4 **Table JCK - 1**

**Summary of Sensitivities to the BACE Model for BellSouth
Alabama**

<u>Scenario</u>	<u>Mass Market NPV</u>	<u>Total NPV</u>
BellSouth Opening	\$59,795,919	\$91,648,862
Ultimate Market Share Set at 5 Percent (from 15%)	\$5,659,154	\$8,784,430
Straight line Penetration for Residential Customers	\$32,522,282	\$59,039,923
Annual Price Decrease of 1 Percent	\$41,586,056	\$67,169,925
Reduction in Retail Prices by 15 Percent for Year 1	\$11,554,252	\$24,902,162
Straight line Penetration, Annual Price Decrease, Market Share Including Subscription in Bundle Discount	\$756,739 \$0	\$911,506 \$8,838,205
Churn Increase of 25 Percent	\$51,959,148	\$82,438,854
Churn Decrease of 20 Percent	\$66,786,654	\$99,297,966

5

6 **II. BELLSOUTH'S BACE MODEL IS NOT OPEN, IS NOT ADEQUATELY**
 7 **DOCUMENTED, AND CAN NOT BE RELIED UPON BY THE**
 8 **COMMISSION**

9 **Q. BEFORE ADDRESSING THE DETAILS OF BELLSOUTH'S BACE**
 10 **MODEL, CAN YOU DESCRIBE BRIEFLY FOR THE COMMISSION**
 11 **WHY IT IS IMPORTANT THAT THE BUSINESS CASE MODELS USED**
 12 **TO ANALYZE IMPAIRMENT BE COMPLETELY OPEN FOR REVIEW?**

13 A. Yes. As the Commission is aware, this is not a new issue. Very similar issues
 14 arose with regard to the UNE cost proxy models that were proposed in the years
 15 immediately following passage of the 1996 Act, and similar issues arise whenever
 16 there is litigation involving complex economic, financial or cost models. As all of
 17 us understand – and as became painfully clear in the UNE proceedings in

1 Alabama and elsewhere – while it is often possible for all parties to agree on a set
2 of economic principles that are to be applied in analyzing an issue, the results of
3 applying those economic principles in a given situation are a function of the
4 numerous assumptions and calculations that are made in (1) defining what the
5 characteristics of the “given situation” are, (2) the extent to which the agreed-
6 upon economic principles will affect each of these characteristics, (3) how those
7 characteristics and economic effects are likely to change over time, and (4) how
8 best to quantify these interrelationships. In other words, the “devil is in the
9 details.”

10 Without complete access to the details of the models that are constructed to give
11 effect to these complex interactions, there is no effective way for other parties –
12 including the Commission and its Staff – to fully understand the way in which a
13 model actually implements the agreed-upon economic principles or to determine
14 whether the way the model utilizes certain inputs is consistent with the way the
15 inputs were developed. If the Commission and its Staff are unable to fully
16 evaluate these issues, and if they are unable to rely upon the adversarial process –
17 and the critical review by other parties to the proceeding that is the foundation of
18 this process – then there is no possibility of making reasoned judgments or
19 drawing reliable conclusions. Findings of “no impairment” could have a severely
20 negative effect on the nascent state of competition for mass market customers in
21 Alabama. Thus, it is critical these findings not be based upon poorly supported
22 business case calculations.

1 **Q. HOW IS THE BACE MODEL ORGANIZED?**

2 A. The BACE model is organized around four “processes” that correspond generally
3 to four major components of a business case analysis, *i.e.*, the determination of
4 the prices that the CLEC can be expected to receive for the services it sells (the
5 price process, or “P-Process”), the quantities of each of these services the CLEC
6 can be expected to sell (the quantity process, or “Q-Process”), the revenues
7 produced by the interaction of prices and quantities achievable by the CLEC (the
8 revenue process, or “R-Process”), and the costs that a CLEC can expect to incur
9 to construct and operate the network necessary to provide these services (the
10 operations and network process, or “ON-Process”).¹ BACE uses an undisclosed
11 version of compiled visual basic source code to perform the calculations in these
12 four processes and to produce the results of its business case analyses.

13 Within each of these four processes, the BACE model relies upon input tables to
14 produce results that are shown in the final output table for the process. Many of
15 these input tables cannot be accessed (and, therefore, modified) by the user. In
16 addition, numerous intermediate tables that are used in subsequent calculations in
17 BACE cannot be viewed by the user – which makes effective auditing of the
18 model impossible. Furthermore, even with access to the underlying tables,
19 BellSouth has not provided the uncompiled version of the source code for the
20 BACE model, or for the preprocessor, which is required by any external party that

1 seeks to meaningfully review or modify any of the mathematical calculations used
2 to develop the price, quantities and costs to derive the results of the BACE
3 business case model. Without fully open and unencumbered access to review,
4 edit and test the calculations that are used in BACE, we cannot review, validate or
5 even identify any potential errors that may be deeply hidden within this model.

6 The FCC and various state regulatory commissions have stressed the importance
7 of relying on fully open models that enable parties to reasonably understand how
8 the results are derived, and provide access to all underlying data, formulae,
9 computations, software, engineering assumptions, and outputs. By failing to
10 provide the level of access, all parties are effectively deprived of a reasonable
11 ability to review the calculations and underlying modeling assumptions. Thus,
12 BellSouth's failure to provide the uncompiled source code and other input data is
13 a fundamental failing.

14 **Q. DOES THE BACE MODEL PROVIDE ACCESS TO ALL DATA FILES**
15 **THAT IT RELIES UPON AND DEVELOPS?**

16

17 **A.** No. There are a significant number of intermediate and output files that are not
18 available for the user to review. For example, the model builds intermediate
19 tables for each of the main steps of the price, quantity and revenue processes that

¹ As Dr. Aron has testified in Florida, the BACE model focuses only on "economic" impairment and gives no effect to issues of "operational" impairment. Thus, even if the BACE model – run properly – suggests that no impairment exists, entry by an efficient CLEC could still be impaired by operational impediments.

1 are stored in a locked database. The model also builds final files for each of the
2 processes (Pmaster, QMaster, Cmaster and RMaster) that are contained in the
3 locked database. Review of the these intermediate and final tables is particularly
4 critical given that BellSouth has failed to provide the underlying source code to
5 the BACE model in a format that would permit the code to be modified and re-
6 compiled. There are references to variables and calculation routines that are not
7 defined in the material presented, and without access to the source code in a
8 format that would permit it to be modified and re-compiled it is impossible for a
9 programmer to follow the field names that are used in the calculations shown in
10 the Adobe Acrobat file, which makes this file effectively useless for the purposes
11 of understanding what is being done in key sections of BACE.

12 **Q. CAN YOU OUTLINE YOUR CONCERNS REGARDING THE ABILITY**
13 **OF CLECS AND THE COMMISSION TO REVIEW BACE?**

14 A. Yes. The Commission's decision must be based upon the details of the ways in
15 which competing calculations of CLEC impairment are performed. This means
16 that the Commission and its Staff (and the other parties who are responsible for
17 analyzing competing models) need to have full access to these details.

18 The way in which the BACE model has been made available in this proceeding
19 makes this sort of review of BACE impossible. BACE defines demand in terms
20 of individual wire centers; it defines markets in terms of Component Economic
21 Areas ("CEAs") – which do not necessarily coincide with the wire center
22 boundaries; and it builds the network based on one switch per LATA – although

1 LATA boundaries do not necessarily coincide with CEA boundaries. It segments
2 residential and business customer classes into “spend” categories (five for
3 residential, three for business) on a wire center-by-wire center basis (using a
4 mechanism that, statewide, forces an equal number of customers of each class into
5 each spend category). A process that clearly puts similarly situated customers
6 from different wire centers into different spend categories that are treated
7 differently by BACE, in terms of price trends and penetration. Since these
8 customers are similarly situated there is no reason to assume that these customers
9 would have different spending patterns. In its various optimization routines,
10 BACE makes choices between alternative entry strategies (EEL versus
11 collocation, for example) and allows the user to eliminate “un-profitable” services
12 or markets – even though the network is constructed in such a way (based on
13 output from the Q-Process and R-Process that is not available for external review)
14 that all of these services use the same set of facilities.

15 Understanding and subjecting to critical scrutiny the way these myriad approaches
16 and assumptions, and a host of others I have not mentioned here, interact with
17 each other is the essence of the task that the Commission, its Staff and the parties
18 other than BellSouth must perform in this proceeding. By consciously designing
19 the BACE model to keep key portions of its functionality from being reviewed,
20 BellSouth has – at a minimum – made this task extremely difficult, if not
21 impossible (particularly given the fast track procedural schedule set forth by the
22 FCC and the state regulatory commissions). In addition, without the material I
23 have outlined above, the Commission and its Staff are prevented from comparing

1 certain inputs and calculations with those made by other parties, making it
2 impossible to effectively evaluate alternative evidence.

3 The failure to make available the intermediate and output tables created in BACE
4 – and used in subsequent stages of the BACE calculations – is particularly
5 inexcusable given AT&T's understanding (based on information received in
6 Florida) that BACE employs a central database file that contains many of the
7 intermediate and final results tables.²

8 In short, by failing to produce a model that can be subjected to critical review by
9 AT&T, the Commission or its Staff, BellSouth has failed to meet its burden of
10 demonstrating that CLECs are not impaired in any market in Alabama.³

11 **Q. DID BELL SOUTH PROVIDE A USEABLE FORM OF THE SOURCE**
12 **CODE TO THE BACE MODEL?**

13 A. No, as discussed above, BellSouth provided a 100-page Exhibit (in pdf format) of
14 the source code that purports to allow the user to review all of the programmatic
15 code and calculations underlying the BACE model. It is impossible to fully
16 understand, audit and test the validity of the thousands of calculations that take
17 place within this complex code without having a version of the code that is
18 compilable and that permits the user to run portions of the code and review the

² See Public Version of Rebuttal Testimony of Kent W. Dickerson before the Florida Public Service Commission, Docket No. 030851-TP, at page 7-8.

³ It is my understanding that Sprint requested an uncompiled version of the BACE source code in electronic format in the Florida proceeding. If the code is produced as Sprint requested, we intend to use it in this proceeding, as permitted.

1 results. Thus, the user (and this Commission) is deprived of complete access to
2 the model and cannot meaningfully validate all calculations.

3
4 **Q. DID BELL SOUTH PROVIDE A COMPLETE VERSION OF THE**
5 **SOURCE CODE FOR THE BACE MODEL?**

6 A. No, as discussed above, BellSouth provided a pdf version of the source code that
7 it asserts constitutes the BACE model. While I believe this document is
8 inadequate to permit a full review, audit and complete testing of the model, it is
9 also incomplete. The source code provided by Mr. Stegeman contains numerous
10 references to subroutines and other programmatic processes, such as class
11 modules, that have not been provided. By failing to provide a subroutine or class
12 module -- which contains source code that completes other programmatic
13 processes -- the user has no ability to fully observe or to replicate the calculations
14 inherent in the BACE model. The following is a list of functions, subroutines and
15 class modules that are referenced or called by the primary BACE source code, but
16 which have not been provided by BellSouth: (1) ResolveStar, (2) RoundUp, (3)
17 ExecuteSQL, (4) LogIt, (5) CompactDB, (6) CleanUp, (7) IsBetween, (8)
18 clsFACE, (9) clsZones and (10) clsStarFields.

19 Similarly, the BACE model code provided by BellSouth does not provide the
20 complete set of information required for a user to define and understand all of the
21 programmatic steps. In certain instances, BACE includes variables (such as
22 moConnection) and enumerations (such as ssStepStatus) that have not been
23 clearly defined. By failing to provide a completely working version of the source

1 code that was compiled into the BACE model, these cryptic and undefined codes
2 force the user to play a guessing game by testing all permutations of possible
3 assumptions in an effort to figure out what the model assumes. Thus, the BACE
4 model fails to meet the basic burden of providing a fully open and verifiable
5 model.

6 **Q. DID BELL SOUTH PROVIDE A COMPLETE VERSION OF THE**
7 **PROGRAMATIC CODE USED TO DEVELOP THE INPUTS INTO THE**
8 **BASE MODEL?**

9 A. No, Dr. Aron confirmed in a recent deposition in the Florida Impairment
10 proceeding that she preprocessed BellSouth and other data to develop the key
11 input tables associated with market prices and demand.

12 21 Q. Now, my understanding, from Mr.
13 22 Stegeman, is that certain preprocessing resulted
14 23 in the tables, baseline product price, baseline
15 24 demand, and exchange demographics. Is that
16 25 accurate?

17 0109

18 1 A. Yes.⁴

19 Without complete access to this preprocessing, and the data used by that
20 preprocessing, one cannot audit the development of price and demand data used
21 as input by the model. This is potentially very problematic because reliance on
22 outdated pricing data, for example, could substantially overstate the prices and
23 therefore the revenues and profitability of the CLEC for the every year in the
24 study period. For example, in the Florida proceeding, Dr. Aron stated that she
25 thought (but was not certain) that the data reflected in the Baseline Produce Price

⁴ Dr. Aron Deposition, Docket No. 030851-TP, February 18, 2004, page 108-109.

1 table was based on data received from BellSouth for the month of April, 2003,
2 *i.e.*, it is data that is a year old. (Aron Deposition, pages 110-114). If accurate,
3 these data are flawed, because BellSouth reduced retail prices in late 2003. This
4 means that the BACE model inputs do not even reflect current retail prices in
5 Florida and thus overstate the profitability of CLEC entry into the Florida market.
6 Without complete access to the price data and supporting workpapers, there is no
7 way for the Commission and its staff, or for other parties, to test the
8 reasonableness of these input data.

9 **Q. DOES THE BACE MODEL COMPLY WITH THE FCC'S**
10 **REQUIREMENT FOR AN OPEN AND TRANSPARENT MODEL?**

11 A. No. In the FCC's Universal Service Fund proceeding, the FCC developed a set of
12 criteria for economic cost studies.⁵ Those criteria included the following
13 requirements or principles with which a cost model needed to comply to be
14 accepted for the purposes of developing Universal Service. As the eighth and
15 ninth criteria clearly articulate, all aspects of the model must be verifiable:

16
17 (8) The cost study or model and all underlying data, formulae, computations, and
18 software associated with the model must be available to all interested parties for
19 review and comment. All underlying data should be verifiable, engineering
20 assumptions reasonable, and outputs plausible.

21
22 (9) The cost study or model must include the capability to examine and modify
23 the critical assumptions and engineering principles. These assumptions and
24 principles include, but are not limited to, the cost of capital, depreciation rates, fill

⁵ FCC Public Notice: Criteria for State-Conducted Economic Cost Studies, CC Docket 96-45, DA Number: 97-1501, July 29, 1997.

1 factors, input costs, overhead adjustments, retail costs, structure sharing
2 percentages, fiber-copper cross-over points, and terrain factors.
3

4 In addition, in the Tenth Report and Order, the FCC reaffirmed these
5 requirements by stating the “model and all underlying data, formulae,
6 computations, and software associated with the model must be available to all
7 interested parties for review and comment.”⁶

8 The BACE model – as BellSouth has produced it in this proceeding – clearly fails
9 to meet the FCC’s cost model criteria, because (1) it does not readily provide
10 access to all input, intermediate and output files without BellSouth passwords; (2)
11 it fails to provide all calculations (missing/unusable and untestable source code);
12 and (3) it prevents the user from modifying all critical assumptions.

13 **Q. DOES THE BACE MODEL HAVE ANY CALCULATIONS THAT CAN**
14 **BE REVIEWED (AND CHANGED) IN THEIR ELECTRONIC FORM?**

15 A. No, the model does not have any calculations in an editable software program
16 such as an Excel spreadsheet or an Access program (or query) that the user can
17 review and edit. The value of having calculations in a software application such
18 as Excel is that the user can readily review each calculation, trace all preceding
19 calculations and determine all dependent calculations. This provides a clear paper
20 trail of the model assumptions and calculations.

⁶ Tenth Report and Order, FCC, CC Docket 96-45, paragraph 38.

1 **Q. HAS MR. STEGEMEN RELIED ON EXCEL FOR CERTAIN**
2 **CALCULATIONS IN OTHER COST MODELS THAT HE HAS**
3 **DEVELOPED?**

4 A. Yes. In past UNE proceedings Mr. Stegemen has touted the openness of
5 developing portions of cost models in Excel to allow for user validation. For
6 example, in a public version of Mr. Stegemen's testimony filed in GA docket
7 14361-U, he stated that one of the objectives in building the BellSouth
8 Telecommunications Loop Model ("BSTLM") was to "[u]se Microsoft Excel as
9 much as possible to allow easier review by outside parties."⁷ Many of the
10 significant model calculations underlying the BSTLM cost model that Mr.
11 Stegemen developed for the UNE cost proceedings, were completed in Excel to
12 ensure that they could be easily reviewed and audited.

13 Here, Mr. Stegemen has chosen to develop the BACE model entirely behind
14 closed doors so that the user can not readily or conclusively verify its calculations.
15 The lack of openness of the BACE model as compared to the BSTLM cost model
16 is particularly surprising because in his deposition in the Florida Impairment
17 proceeding Mr. Stegemen attempts to suggest that these two models are similarly
18 open and verifiable. Mr. Stegemen stated "the BellSouth loop model which was
19 filed in the UNE proceeding was filed in a fairly similar manner to how this
20 model was filed as well."⁸ It is possible that many of the BACE calculations
21 could have been completed in a more open and verifiable software application

⁷ Stegemen Direct Testimony, GA docket 1431-U, October 1, 2001, pg. 9

1 such as Excel. Mr. Stegemen, however, chose to develop and essentially hide the
2 calculation logic from all parties in this proceeding in visual basic code. Because
3 of this, the code may contain potentially hidden programmatic problems.

4 **Q. HAS BACE BEEN SUBJECTED TO THE SORT OF REVIEW YOU HAVE**
5 **DISCUSSED IN ANY OTHER JURISDICTION?**

6 A. Not to my knowledge. It is my understanding that the model was produced for
7 the first time in early December, 2003 in the Florida proceeding discussed above.
8 Thus, the BACE model is in its early stages of development, and has not been
9 made fully available to any party for “peer review.” In addition to the substantive
10 problems that I have already alluded to, models at BACE’s stage of development
11 often contain significant coding or calculation errors.⁹ Without subjecting the
12 entire BACE process to critical review, discovery of these sorts of errors is either
13 delayed (often to a subsequent proceeding in another state) or rendered
14 impossible. Furthermore, this asymmetry of information about the BACE model
15 creates an environment in which error correction could tend to go only in a
16 direction that favors the model proponent.

⁸ Stegemen Deposition, Florida Impairment Proceeding, February 16, 2004, pg. 103 lines 4-6.

⁹ To this point, Mr. Stegeman filed Supplemental Direct testimony in the Florida proceeding (Docket No. 030851-TP) in order to place into evidence “the most recent iteration of the BACE (BellSouth Analysis of Competitive Entry) model” and to “[explain] the correction to the BACE model.”

1 **III. SEVERAL OF THE INPUTS EMPLOYED BY BELL SOUTH SERVE TO**
2 **SIGNIFICANTLY OVERSTATE THE POTENTIAL PROFITABILITY OF**
3 **CLEC ENTRY INTO RELEVANT MARKETS IN ALABAMA.**

4 **Q. DESPITE THE IMPEDIMENTS DESCRIBED ABOVE IN SECTION II,**
5 **HAVE YOU BEEN ABLE TO EVALUATE PORTIONS OF THE BACE**
6 **MODEL?**

7 A. Yes, I have been able to undertake a limited evaluation of certain aspects of the
8 BACE model. Our work in this area continues as of the date this testimony is
9 filed.

10 **Q. WHAT AREAS OF THE BACE CALCULATIONS HAVE YOU BEEN**
11 **ABLE TO ANALYZE?**

12 A. My evaluation of BACE has focused in two areas. In this section of my
13 testimony, I set forth my criticisms of the inputs used in the model – most of
14 which have been provided by Dr. Aron – in four specific areas. In Section IV,
15 below, I discuss a series of counterintuitive results generated by modifying other
16 inputs to the BACE model. The lack of full access to the BACE model code and
17 underlying tables has impeded the completion of these analyses. Our review is
18 ongoing, and completion of these analyses is contingent upon fully accessing the
19 model and code.

20 **Q. CAN YOU BRIEFLY DESCRIBE THE CONCERN YOU HAVE WITH**
21 **VARIOUS MODEL INPUTS?**

22 A. Yes. I have overarching concerns with four sets of inputs, *i.e.*, (1) the way in
23 which BellSouth has defined markets, (2) the ultimate CLEC market share that is
24 assumed by BellSouth in the BACE run submitted in this proceeding, (3) the

1 rapidity with which the BACE model assumes that this ultimate penetration will
2 be achieved, and (4) the base year retail product pricing assumptions and trends in
3 retail prices assumed by BellSouth in this proceeding.¹⁰

4 **A. Market Definition**
5

6 **Q. WHAT ARE YOUR CONCERNS WITH THE WAY IN WHICH**
7 **BELLSOUTH HAS DEFINED THE RELEVANT MARKET FOR ITS**
8 **IMPAIRMENT STUDIES?**

9 A. BellSouth defines the “relevant geographic area,” for the purposes of it
10 impairment analyses, as a CEA (Component Economic Area) subdivided by UNE
11 zones. BellSouth witness Pleatsikas argues that UNE zones “take into account the
12 ‘variations in factors affecting competitors’ ability to target and serve specific
13 markets profitably,’ because loop rates are determined by UNE zone; with higher
14 UNE loop rates in areas that are more costly to serve.”¹¹ Dr. Pleatsikas argues
15 that UNE zones should be further subdivided by CEA, although he offers no
16 rationale for choosing CEAs other than (1) it results in markets that are more
17 granular than relying on UNE zones, alone, and (2) CEAs cover an entire state.
18 These rationales fall short of the requirements of the TRO and in my opinion lead
19 to market definitions that are unsupported.
20

¹⁰ I also believe other input assumptions are flawed but have not had sufficient time and access to the model to fully develop the analysis.

¹¹ Pleatsikas Direct Testimony, page 6.

1 The TRO provides the following guidance to state commissions:

2 State commissions have discretion to determine the contours of
3 each market, but they may not define the market as encompassing
4 the entire state. Rather, state commissions must define each
5 market on a granular level, and in doing so they must take into
6 consideration the locations of customers actually being served (if
7 any) by competitors, the variation in factors affecting competitors'
8 ability to serve each group of customers, and competitors' ability
9 to target and serve specific markets economically and efficiently
10 using currently available technologies. While a more granular
11 analysis is generally preferable, states should not define the market
12 so narrowly that a competitor serving that market alone would not
13 be able to take advantage of available scale and scope economies
14 from serving a wider market. State commission should consider
15 how competitors' ability to use self-provisioned switches or
16 switches provided by a third-party wholesaler to serve various
17 groups of customers varies geographically and should attempt to
18 distinguish among markets where different findings of impairment
19 are likely.
20

21 While use of UNE loop rate zones obviously gives some effect to variations in
22 factors affecting a CLEC's ability to serve a group of customers and its ability to
23 target, use of UNE rate zones gives no effect to the TRO's requirement that the
24 market definition take into account "how competitors' ability to use self-
25 provisioned switches or switches provided by a third-party wholesaler to serve
26 various groups of customers varies geographically." Subdividing UNE rate zones
27 by CEAs does nothing to address this requirement either.

28 BellSouth's impairment model assumes that a CLEC will install a switch in each
29 LATA. As a result, the individual LATA is the geographic market definition that,
30 consistent with BellSouth's impairment assumptions, would most accurately
31 reflect the cost of self-provisioning switches for various groups of customers.
32 Furthermore, because the customers that can contribute to the economies of scope
33 and scale experienced by the CLEC for any given switch in a LATA are a

1 function of the customers in that LATA, use of LATAs as the basic geographic
2 market would also ensure that “states [do] not define the market so narrowly that
3 a competitor serving that market alone would not be able to take advantage of
4 available scale and scope economies from serving a wider market.”¹²

5 Thus, the LATA is clearly a relevant component of a geographic market for
6 assessing impairment, and use of CEAs results in a market definition that is not
7 relevant and potentially too broad.

8 Market definition also potentially should take into account the way in which
9 services are offered to customers in Alabama, and the costs of providing those
10 services. To the extent different prices or bundles are offered to residential, small
11 business and enterprise business customers, respectively, it would also be
12 reasonable to separately analyze these customer groups within each LATA.

13 **B. CLEC Market Share Assumptions Used in BACE are Unrealistic**
14

15 **Q. WHAT IS YOUR REACTION TO DR. ARON’S ASSUMPTIONS ABOUT**
16 **THE MARKET SHARE THAT AN EFFICIENT CLEC WILL**
17 **ULTIMATELY ACQUIRE USING UNE-L ENTRY?**

18 A. BellSouth assumes that an efficient CLEC will ultimately achieve an overall 15
19 percent market share for all services and products offered across in all markets it
20 assumes would be served in Alabama, and that it will achieve the majority of this
21 penetration in just a few years.¹³ Furthermore, although BellSouth assumes an

¹² TRO at ¶ 495.

¹³ Aron Direct Testimony, page 25.

1 overall market share of 15 percent for each of the residential, small business, and
2 enterprise markets, it assumes different ultimate market shares for different spend
3 categories within these classes of customers – with, for example, market shares in
4 excess of 15 percent for the three highest monthly revenue-per-line residential
5 spend categories, and market shares well below 15 percent in the two lowest
6 monthly revenue-per-line spend residential spend categories.

7 Compounding this overstatement, BellSouth assumes that an efficient CLEC will
8 acquire its market share most quickly in the early years of entry. For residential
9 customers, for example, BellSouth assumes a penetration factor of 0.5, which in
10 BACE manifests itself as an assumption that the CLEC will attain 50% of the
11 remaining portion of the ultimate market share each year.¹⁴ Thus, BellSouth
12 effectively assumes that the overall CLEC market share of residential customers
13 will begin at zero, will increase to 7.5% by the end of year one [$7.5\% = 15\% * 50\%$], and that the CLEC will acquire 50% of the untapped market share, or
14 $3.75\% = [(15\% - 7.5\%) * 50\%]$, by the end of year two (for a total market share of
15 11.25%). By the end of year 3, using this process, the CLEC is assumed to have
16 acquired a residential market share of 13.13 percent. This customer penetration
17 pattern is displayed in Table JCK-2.
18

19 **Table JCK - 2**
BellSouth Residential Customer Market Share Assumption Used in BACE

¹⁴ Aron Direct Testimony, page. 24.

	Yr 0	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Ultimate Share
Market Share	0%	7.5%	11.25%	13.13%	14.06%	14.53%	15%
Percentage Change		N/A	50%	17%	7%	3%	3%

1

2 The assumption that an efficient CLEC would achieve an ultimate market share of
3 15 percent is overly optimistic when compared to actual data on the total lines
4 served by non-ILECs in Alabama. First, overall market share for *all* CLECs in
5 Alabama was approximately 10 percent of switched access lines as of June 30,
6 2003.¹⁵ However, this says nothing about a reasonable market share assumption
7 for an *individual* CLEC, which is the relevant inquiry.

8 Additionally, it should be noted that while overall CLEC market share in
9 Alabama is approximately 10 percent, the segment of the CLEC market share that
10 the impairment and business case analyses is most concerned about is the mass
11 market (or residential and small business segment), and it is clear that CLECs
12 operating in Alabama have been less successful in acquiring market share in these
13 markets. Only 38 percent of CLEC switched access lines in Alabama serve
14 residential and small business customers, while these customers comprise 83
15 percent of ILEC switched access lines in Alabama.¹⁶ This means that overall
16 CLEC market share of the mass market is on the order of only 4.7 percent as of
17 June 30, 2003. The table below shows the trend from 2001 to 2003. This

¹⁵ FCC Report Local Telephone Competition, Status as of June 30, 2003. Table 6.

¹⁶ FCC Report Local Telephone Competition, Status as of June 30, 2003, Table 11.

1 highlights the unrealistic nature of BellSouth's assumption that an individual
2 CLEC could acquire a market share of 15 percent.

3 **Table JCK – 3**
4 **MARKET SHARE OF LINES PROVIDED TO RESIDENTIAL AND SMALL**
5 **BUSINESS CUSTOMERS IN ALABAMA**

	CLEC Total Market Share ¹	CLEC Percent Residential and Small Bus	CLEC Percent of Resid/Small Bus Market
2001	5%	8%	² 0.5%
2002	8%	19%	³ 1.8%
2003	10%	38%	⁴ 4.7%

¹ FCC Report Local Telephone Competition, Status as of June 30, 2003. Table 7

² FCC Report Local Telephone Competition, Status as of December 31, 2001. Table 9

³ FCC Report Local Telephone Competition, Status as of June 30, 2002. Table 9

⁴ FCC Report Local Telephone Competition, Status as of June 30, 2003. Table 11

1

2 Furthermore, these overall statewide market shares are comprised of much
3 smaller market shares that have been acquired by the numerous *individual* CLECs
4 that operate in Alabama. As the following table demonstrates, the total number
5 of CLECs operating in Alabama has increased from one in the third quarter 1996
6 to 6 competitors two years later.¹⁷ As of June 30, 2003, 9 CLECs were operating
7 in Alabama.¹⁸ Thus, on average each CLEC operating in Alabama has acquired
8 approximately one half of one percent of the switched access lines within the
9 residential and small business customer segments in the state. This is further
10 evidence that the 15 percent overall market share that BACE assumes would be
11 acquired by an individual CLEC and rapid penetration rate are untenable.

¹⁷ See FCC Local Competition Report, August 31, 1999, Table 4.2.

¹⁸ See FCC Report Local Telephone Competition, Status as of June 30, 2003, Table 12.

Table JCK – 4

**CLEC Market Share (Switched Access Lines) and Number of CLECs
in Alabama¹⁹**

<u>Year</u>	<u>Market Share</u>		<u>Number of CLECs</u>		<u>Avg % Market Share per CLEC</u>
1996			1	³	
1997		¹	1	³	
1998	2%	¹	6	³	0.4%
1999	5%	²	6	³	0.9%
2000	4%	²	4		1.0%
2001	5%	²	5	⁴	0.9%
2002	8%	²	6	⁵	1.3%
2003	10%	²	9	⁶	1.1%

¹ FCC Report Local Telephone Competition, Status as of August, 1999. Table 3-1 and 3-2

Note: 1997 and 1998 data includes UNE and Resale lines.

² FCC Report Local Telephone Competition, Status as of June 30, 2003. Table 7

³ FCC Report Local Telephone Competition, Status as of August, 1999. Table 4-1

⁴ FCC Report Local Telephone Competition, Status as of December 31, 2001. Table 10

⁵ FCC Report Local Telephone Competition, Status as of June 30, 2002. Table 10

⁶ FCC Report Local Telephone Competition, Status as of June 30, 2003. Table 12

These data on CLEC market shares in Alabama, combined with the fact that the CLEC market share for the mass market (i.e. residential and small business customers) is approximately half of the CLEC's overall market share, suggest that an ultimate penetration rate for an individual efficient CLEC of 4 to 5 percent, over the next 10 years, is a more reasonable assumption for a business case analysis of the mass market.

¹⁹ As discussed above, the CLEC market share of the mass market (i.e. residential and small business customers) is much smaller and approximately half of the CLEC's total market share.

1 To illustrate the effect that substituting a more reasonable estimate of CLEC
2 market share would have on the BACE results, I have re-run the BACE model
3 submitted by BellSouth with a single change, *i.e.*, substituting a 5 percent ultimate
4 market share for the 15 percent advocated by Dr. Aron. Exhibit JCK-2
5 demonstrates that this change, alone, reduces the overall NPV from \$91.6 million
6 to \$8.8 million.

7 As noted earlier, the effect of the overly optimistic market share assumption
8 employed by BellSouth is exacerbated by the rapidity with which BellSouth
9 assumes that the efficient CLEC will acquire this market share. While Dr. Aron
10 cites historical statistics about the rapidity with which CLECs have acquired their
11 market shares in certain circumstances, those rapid gains were largely attributable
12 to the existence of UNE-P. In an environment in which CLECs would have to
13 build new switches where they have none today, establish collocation in
14 BellSouth wire centers where none exists today (and/or expand the facilities in
15 existing collocation areas to provide for the DLC and multiplexing equipment
16 necessary to permit the CLEC to backhaul local traffic to its switches), arrange for
17 long-haul transport to effectuate the backhaul, and implement the hot cut process
18 that would be required to move a customer from the ILEC to the CLEC, it is
19 unlikely that CLECs would acquire market share as rapidly using UNE-L as they
20 have using UNE-P.²⁰ Even *with* the availability of UNE-P, it is clear from the

²⁰ The TRO explicitly acknowledged the potential delay that would likely be associated with UNE-L based entry into the local exchange market. For example, in opining on the appropriate assumptions for a CLEC cost of capital, the FCC noted that state commissions should “include the capital carrying costs for the period it takes a competitor to set up operations and achieve profitability.” TRO. n.1596.

1 CLEC market share data that the local telephone competition has been very slow
2 to develop. This assumption of rapid acquisition of market share has a significant
3 effect on conclusions about impairment. Modifying the BACE model submitted
4 by BellSouth for this proceeding *only* to reflect a straight-line acquisition of
5 market share, instead of the front-loaded penetration rate assumed by BellSouth,
6 reduces overall NPV from \$91.6 million to \$59 million. The results are
7 summarized in Exhibit JCK-3.

8 Assumptions about the ultimate market share achievable by an efficient CLEC,
9 and the rapidity with which it would acquire that market share, are critical to the
10 business case analysis. They affect the overall customer demand that a CLEC
11 will serve in each wire center, the revenues for the services and products that each
12 of these customers will obtain from the CLEC, and the speed with which the
13 CLEC will begin to receive those revenues. Because certain components of the
14 network that BACE assumes will be constructed by the CLEC must be in place
15 upfront – before the first customer can be served – the cost of putting those
16 components in place has the same present value, regardless of the pattern of
17 CLEC demand. By overstating the ultimate number of customers the CLEC is
18 likely to serve, and by “front-loading” the penetration rates for the individual
19 products and services these customers might obtain from the CLEC, however,
20 BACE overstates the present value of the revenues that the CLEC can expect to
21 receive over the 10-year study period. In addition, because the provision of local
22 telecommunications services exhibits significant economies of scope and scale,

1 overstating the number of customers that would be served by a CLEC understates
2 the cost per line that the CLEC would incur to serve its customers.

3 **C. BellSouth's Retail Price Assumptions are Not Realistic**
4

5 **Q. CAN YOU VALIDATE BELLSOUTH'S BASE PRICING ASSUMPTIONS?**

6 A. No. As I discussed above, we do not have access to all of the preprocessing data
7 and programs used by Dr. Aron to develop the base year pricing assumptions for
8 the CLEC business case. This is potentially problematic for a number of reasons.
9 First, as discussed above, Dr. Aron indicated in other proceedings that the price
10 table was based on data received from BellSouth for the month of April, 2003,²¹
11 which would not incorporate the retail price reductions made by BellSouth in late
12 2003. In other words, the BACE model inputs do not even reflect current retail
13 prices, and overstate the profitability of CLEC entry into the Alabama market.
14 Second, the price data assumed in the BACE model appears to be based on the
15 entire Bellsouth region, not Alabama specific data. Therefore the BACE retail
16 pricing assumptions fail to meet the "granularity" requirements of the FCC's
17 Triennial Review Order ("TRO").

18 **Q. DO YOU HAVE ANY OTHER EVIDENCE THAT SUGGESTS THAT THE**
19 **BASE YEAR PRICING ASSUMPTIONS IN THE BACE MODEL ARE**
20 **TOO HIGH?**

²¹ Aron Deposition, Florida Impairment proceeding, pages 110-114.

1 A. Yes. For example, BellSouth assumes that residential customers of CLECs in
2 Alabama will spend approximately \$46 per month per line for local service and
3 that small business customers (“SOHO”) will spend approximately \$83 per
4 line/per month just for local phone service (i.e. excluding long distance, DSL and
5 voicemail).²² Because we cannot audit BellSouth’s calculation, we have looked
6 to other data sources in an effort to confirm the reasonableness of these
7 assumptions. However, the National Regulatory Research Institute (“NRRI”)
8 reports that the average residential monthly rate for BellSouth customers in
9 Alabama was equal to \$26.58 as of January 2004.²³ NRRI also reported that the
10 average business rate per month for business customers in Alabama was \$49.51
11 per month.²⁴ Similarly, according to the FCC, the average monthly local
12 residential charge for service was \$23.38 in 2002.²⁵ According to AT&T’s
13 website it offers lower priced local services, such as unlimited local + 3 features
14 for \$29.95/mo and unlimited local + unlimited features for \$32.95/mo. All of
15 these actual data points available in the market suggest that BellSouth’s base year
16 pricing assumptions are somehow dramatically overstated.

²² This figure does not include ancillary revenue associated with vertical features.

²³ <http://www.nrri.org/documents/BillyJackGreggUNEmatrix1-04.xls>

²⁴ <http://www.nrri.org/documents/BillyJackGreggUNEmatrix1-04.xls>. This figure is likely to be overstated for the impairment analysis being conducted herein because the NRRI rate is for all business customers instead of just the small business customers.

²⁵ Federal Communications Commission Releases Study on Telephone Trends, Federal Communications Commission, August 7, 2003, Page I-2.

1 In addition, the long distance average revenue per line assumptions in the BACE
2 model appear to be overstated, particularly for mass market customers. BellSouth
3 assumes that the average long-distance revenue per line that a CLEC will receive
4 from residential and small business customers ("SOHO") will equal \$15.48 and
5 \$45.06 per line, respectively in the first year. JP Morgan estimated that
6 consumers will pay an average of \$12.16 per line in long distance average
7 revenue per line/mo in 2004 from residential customers.²⁶ Because 60 percent of
8 the CLEC profitability estimated by BACE on a Net Present Value basis is
9 derived from long distance services, these input assumptions significantly affect
10 the results of the business case.

11 **Q. HAVE YOU CONDUCTED A SENSITIVITY ON THE BASE YEAR**
12 **PRICING ASSUMPTIONS IN THE BACE MODEL?**

13 A. Yes. By reducing the retail prices for all products by 15 Percent in Year 1 and
14 holding the prices constant from then on, the total NPV is reduced from \$91.6
15 million to \$24.9 million, as shown in Exhibit JCK-4.

16 **Q. CAN YOU DESCRIBE THE CONCERN YOU HAVE WITH**
17 **BELLSOUTH'S PRICE TREND ASSUMPTIONS?**

²⁶ U.S. Telecommunications: The Art of War, JP Morgan, North American Equity Research, November 7, 2003, Page 14. "Our long-distance pricing includes all ancillary services including international calling, collect calls, calling cards and directory assistance. As such, the pricing may appear higher than those rates consumers are able to receive in typical long-distance pricing plans."

1 A. Yes. I find BellSouth's assumption that retail prices will not decline over the 10-
2 year study period untenable. In several places in the TRO, the FCC expresses its
3 view that "...telecommunications prices are not static, and will change over time
4 in response to increased competition." *See, for example*, TRO ¶ 157. There are
5 three related reasons why one would expect future declines in prices over time if
6 CLEC competition were to take hold.

7 First, much of BellSouth's network – particularly the network required to serve
8 mass market customers in each individual wire center – already exists. As a
9 result, these costs are sunk and, presumably, have already been recovered to some
10 (perhaps considerable) extent by retail rates that have been in existence for years.
11 In the short term, therefore, the incremental costs BellSouth will incur to provide
12 mass market service – or the incremental costs it will save if it loses a mass
13 market customer – are extremely low. In contrast, the costs that an efficient
14 CLEC will incur to provide service to a significant number of mass market
15 customers in individual wire centers using UNE-L are not sunk.²⁷ This gives
16 incumbents, such as BellSouth, the ability to lower prices to the level of the
17 incremental costs that they will incur in the short to medium term in order to
18 make CLEC entry into these markets uneconomic. This is particularly likely
19 because the existing capacity on the ILEC networks is generally sufficient to

²⁷ For example, the cost of an existing customer loop is a sunk cost to the ILEC, but the monthly payment that the CLEC would make to use this loop under UNE-L is a direct cost of serving the customer.

1 provide service to *all* mass market demand.²⁸ As the FCC found in the TRO,
2 “[s]unk costs, particularly when combined with scale economies, can pose a
3 formidable barrier to entry. ... Potential new entrants may ... fear that an
4 incumbent LEC that has incurred substantial sunk costs will drop prices to protect
5 its investment in the face of new entry. In addition, sunk costs can give
6 significant first-mover advantages to the incumbent LEC, which has incurred
7 these costs over many years and has already had the opportunity to recoup many
8 of these costs through its rates.”²⁹

9 Second, telecommunications is a declining cost industry, and costs can be
10 expected to continue to decline in the foreseeable future. These downward trends
11 in cost are occurring both because the equipment prices of most of the key
12 components of network investment are declining, and because the ILECs
13 themselves continue to aggressively pursue cost cutting. Numerous state
14 commissions, the FCC, the courts and the ILECs themselves have noted these
15 trends, and opined that they are likely to continue. As costs fall in a competitive
16 market, all other things being equal, prices fall as well.³⁰

²⁸ Reply Declaration of John Klick, December 16, 2003, FCC WC Docket No. 03-173, *Review of the Commission’s Rules Regarding the Pricing of Unbundled Network Elements and the Resale of Service by Incumbent Local Exchange Carriers*. This, of course, calls into question the wisdom of forcing *anyone*, including CLECS, to build additional capacity to serve mass market customers in the short run. By using UNE-P, CLECs can enter the market to begin to develop a critical mass of customers without construction of un-needed capacity (which also, by the way, preserves the ILECs’ existing economies of scale). Only if demand eventually exceeds the capacity of existing ILEC facilities to meet that demand does it become economically rational, from society’s point of view, to encourage the construction of additional capacity.

²⁹ TRO ¶ 7.

³⁰ Deposition of Dr. Debra J. Aron, February 19, 2004, page 0045, lines 18-20.

1 Third, to the extent CLEC competition does take hold – which is the fundamental
2 presumption underlying the business case analysis reflected in BACE – ILECs
3 and CLECs alike will have strong incentives to respond to competition. This will
4 force them to pass through any cost savings to individual customers – in the form
5 of lower prices (and/or more aggressive customer acquisition promotions) – just
6 to maintain market share.

1 This is not mere conjecture. The brief history of UNE-P competition has
2 demonstrated that CLEC entry into a market has resulted in lower prices and
3 expanded service offerings by ILECs. For example, when the New York Public
4 Service Commission eliminated impediments to AT&T's ability to employ UNE-
5 P in that state in early 2002, AT&T began to offer a promotion that provided
6 unlimited local calling throughout New York at monthly prices that ranged from
7 \$19.95 in the New York city metropolitan area to \$22.95 in upstate New York.³¹
8 Although Verizon initially *raised* rates, AT&T assured both its existing customers
9 and new customers that signed on before April 30, 2002 that its monthly rate
10 under this promotion was guaranteed through April 30, 2003. In response, in the
11 spring of 2002, Verizon offered an unlimited local calling plan, with a choice of
12 three features, priced at \$33.95 in the metropolitan New York city area, and at
13 \$39.80 to \$47.50 upstate.³²

14 Other examples of competitive responses from ILECs to CLEC market entry
15 include:

16 □ After AT&T entered the local market in Michigan, SBC reduced rates by
17 approximately 30 percent to meet competition.³³

³¹ AT&T's promotion included 4500 minutes of local calling (with calls beyond 4500 minutes priced at 2 cents per minute), with *unlimited* local calling until April 30, 2003 for those customers who enrolled before April 30, 2002.

³² At the time, AT&T's service could be obtained without features, which was attractive to some customers, or they could add features a la carte or in a 3-feature bundle of call waiting, three-way calling and caller ID at a price of \$12.50 per month. Verizon ultimately offered an unlimited calling plan that could be obtained without features, thereby matching AT&T's offering.

³³ Grand Rapids Press (editorial), "Dialing for Deals: Michigan consumers will benefit from competition in telephone industry," June 18, 2002 ("Pushed by a growing number of competitors, SBC Ameritech, the

- 1 □ In Illinois, SBC reduced rates and simplified its billing practices to meet
2 competition from AT&T and other CLECs.³⁴
- 3 □ In California, MCI and AT&T offered customers unlimited local calling
4 within ZUM 3 (the band 12 to 16 miles from home), and SBC responded
5 with MetroPlanSM, which offered unlimited ZUM 3 calling in seven
6 metropolitan areas.³⁵
- 7 □ In Indiana, “[c]iting the need to keep pace within an increasingly
8 competitive marketplace, SBC Ameritech today announced new service
9 packages for its Indiana residential service customers . . . [which] offer up
10 to a 20 percent savings and include the first offering of unlimited local toll
11 calling in Indiana in the company’s history.”³⁶
- 12 □ One week after AT&T entered the local market in California, offering a
13 package that included unlimited local and Zone 3 calling, one line, and
14 three features for \$19.95 per month, SBC responded by introducing
15 various promotions, including “Winback Value Solution 2002,” which
16 offered a flat rate line and three features for \$21.95. SBC’s promotion
17 also included a \$2 credit on the Value Plan offer when the customer
18 returned to SBC from another local competitor.³⁷
- 19 □ “In June 1999, Z-Tel began marketing a feature rich, flat rated local
20 service with a Z-Tel designed, broad calling area bundled with long
21 distance service for just under \$50.00,” and that “in response to Z-Tel’s
22 offers, Verizon deployed ‘Premium Local Package,’ which offers
23 unlimited service within [a] Home Region, unlimited local directory

state’s dominant local phone provider, cut the price of its basic local-call plan by one-third and lifted the limitation on local and toll calls in other plans”); Marsha Stopa, “SBC Ameritech to cut rates, offer unlimited local telephone calls,” *The Oakland Press*, June 12, 2002, http://www.zwire.com/site/news.cfm?newsid=4414734&BRD=982&PAG=461&dept_id=468148&rft=6.

³⁴ See *Ex Parte* letter from Ruth Milkman (WorldCom) to Marlene H. Dortch, dated November 7, 2002, CC Docket Nos. 01-338, 96-98, 98-147, attaching *Chicago Tribune* article, “SBC Ameritech Responds to Local Phone Service Competition With Price Cuts,” November 7, 2002 (noting that in reaction to “heated local calling competition from AT&T, MCI and others,” SBC announced “that it is cutting rates by putting a cap on the monthly price for unlimited local calling”).

³⁵ See SBC’s website: http://www02.sbc.com/Products_Services/Residential/1,,0--1--0,00.html.

³⁶ See SBC News Release, “SBC Ameritech Responds to Increasing Local Competition with Discounted Phone Package and Service Achievements,” dated August 12, 2002. http://www.sbc.com/press_room/.

³⁷ See, e.g., *San Francisco Chronicle*, Todd Wallace, “Few rivals for Pac Bell; Local competition limited,” September 21, 2002 (“AT&T said it has grabbed tens of thousands of customers since it started offering a \$20 local plan service package last month, that was initially 20 percent less than Pac Bell’s competing package, but Pac Bell has since matched the price”).

1 assistance, plus[the] choice of four or more vertical features for about
2 \$50.00.”³⁸

3
4 BellSouth has also offered reduced pricing and other discounts in response to
5 competition and attempts to “Win back” customers.

6 BellSouth Notice: BellSouth small business promo on
7 BellSouth Local Services -- This promotion takes a
8 percentage off of the customer’s bill each month depending
9 on the length of the agreement.³⁹

10
11 BellSouth is offering cash back for signing up for certain
12 services, totaling up to \$100. It is offering a \$25 cash back
13 award for each of the following services available: local
14 (BellSouth® Complete Choice® Plan), long distance
15 (Unlimited Long Distance Plan), Internet (BellSouth®
16 Internet Services) and wireless (Cingular® Wireless).⁴⁰

17 BellSouth today announced its International Advantage At
18 Home Plan, a new international long distance calling plan
19 with aggressive rates to all cities in more than 220
20 countries. With the BellSouth® International Advantage At
21 Home plan, residential customers can enjoy low rates,
22 which are flat rates any time of day or night, seven days a
23 week. Customers who sign up in the first three months of
24 the plan, October through December, can take advantage of
25 additional savings under a special holiday promotion in
26 which the monthly recurring charge of \$2.95 will be
27 waived through December 31, 2003.⁴¹

³⁸ Comments of Z-Tel, Declaration of Robert A. Curtis, CC Docket Nos. 01-338, 96-98, 98-147, April 5, 2002, ¶ 15 (footnote omitted).

³⁹ <http://cpr.bst.bellsouth.com/pdf/al/notice/AL2003-098.pdf>

⁴⁰ <http://www.bellsouth.com/consumer/answers/answerspromo.html?reshpg1=answers>
BellSouth AnswersSM Calling Plan

⁴¹ BellSouth Gives Long Distance Callers The 'International Advantage' October 20, 2003 Press Release.
http://bellsouthcorp.com/proactive/newsroom/release.vtml?id=44227&PROACTIVE_ID=cecf6c6c9c9c8cfcac5cecf6cfc5cececbcecbccc7c7cdccc5cf

1 Academic studies also confirm that competition from CLECs would be likely to
2 spawn reaction from ILECs in the form of lower prices. For example, a study
3 undertaken in May of last year concluded that “[a]lthough economically feasible
4 UNE-based competition for local telephone service has only been available for
5 less than a year in California,” competitive entry has resulted in “savings to
6 residential telephone subscribers in California for local service alone [of] at least
7 \$189 million on an annual basis,” and that consumers have benefited from
8 “effective expansion of local calling areas . . . and competitive responses from
9 incumbents.”⁴² Similarly, in the fall of 2003, the American Enterprise Institute
10 found that competition from CLECs would result in annual savings in the billions
11 of dollars, in part from price reductions by the ILECs.⁴³

12 **Q. ARE THERE FORECASTS OF PRICE TRENDS FOR LOCAL AND**
13 **LONG DISTANCE SERVICES?**

14 A. Yes. Independent analyst forecasts for local and long distance services anticipate
15 future declines in the average revenue per line of local and long distance
16 telecommunications services. For example, within the long distance product
17 pricing arena, independent analysts such as JP Morgan expect significant price
18 declines, approximating 10 percent per year through 2008.

⁴² Yale M. Braunstein, “The role of UNE-P In Vertically Integrated Telephone Networks: Ensuring Healthy and Competitive Local, Long-Distance and DSL Markets,” May 2003 at 7.
<http://www.sims.berkeley.edu/~bigyale/UNE/>.

⁴³ Kevin A. Hassett, Zoya Ivanova and Laurence J. Kotlikoff, “Increased Investment, Lower Prices – the Fruits of Past and Future Telecom Competition” (September 2003).
<http://econ.bu.edu/kotlikoff/HIK%209-16-03.pdf>.

1 The telecom industry is entering a new era of heightened
2 competitive pressure. Historic drivers of growth will
3 increasingly cannibalize legacy revenues, prompting slower
4 revenue growth and accelerating price competition across
5 all major lines of business.⁴⁴

6 Heightened competitive pressure will likely limit the
7 industry's top-line growth to 1% per annum through 2007.
8 Double-digit declines in long-distance voice should be
9 partially offset by modest growth in wireless, local data.⁴⁵

10 Consumer Revenue Should Feel Most Pressure. All three
11 of these competitive pressures-wireless migration, new
12 entrants and wireless substitution-should conspire to reduce
13 the consumer retail long-distance market from \$20 billion
14 in 2002 to just \$9 billion in 2007. We expect volumes to
15 continue to decline around 6% per year, pricing pressure to
16 continue at 5% per year, and access lines (including cable)
17 to decline by 3%.⁴⁶

18 **Q. WHAT IS THE IMPORTANCE IN THIS PROCEEDING OF THIS**
19 **LITANY OF COMPETITIVE PRICING RESPONSES BY?**

20 A. Dr. Aron describes the business case analysis conducted by BACE as an
21 "investment decision." Any CLEC considering entry into the local services
22 market in Alabama, or any other state for that matter, could not responsibly
23 evaluate that decision without assuming that retail prices would decline almost
24 immediately as ILECs sought to meet competition, particularly competition for
25 the ILECs' most profitable customers. In Florida, Dr. Aron defended her
26 assumption that existing retail prices would continue throughout the 10-year

⁴⁴ U.S. Telecommunications: The Art of War, JP Morgan, North American Equity Research, November 7, 2003, Page 11

⁴⁵ Ibid.

⁴⁶ U.S. Telecommunications: The Art of War, JP Morgan, North American Equity Research, November 7, 2003, Page 14.

1 analysis by arguing that the use of current retail prices in BACE is required by the
2 language of the TRO.⁴⁷ This is neither entirely accurate nor logical. The TRO
3 clearly contemplates – in the context of its discussion of the business case
4 analysis – that prices might decline over time in response to competition, and that
5 it would be appropriate to take these anticipated price declines into account.
6 “State commissions should consider how competitors’ ability to serve the market
7 is facilitated in those areas where rates are ‘above cost,’ and is impeded where
8 rates are ‘below cost,’ while recognizing that rates are likely to change over time
9 in response to competition.”⁴⁸ Clearly, ¶ 1588 of the TRO suggests that it is
10 easier, analytically, to conduct the business case analysis by assuming that
11 existing retail prices will continue. However, if this has the effect of significantly
12 overstating CLEC revenues that could reasonably be anticipated as a result of
13 entry, failure to take such competitive responses into account would make a
14 mockery of the business case analysis and result in findings of no economic
15 impairment in markets where even an efficient CLEC could not hope to profitably
16 compete over the long run. In short, ignoring such price declines is simply
17 inconsistent with the analysis of entry barriers that the FCC, and BellSouth itself,
18 argues should be reflected in a business case analysis.

⁴⁷ As noted earlier, the retail prices input into the BACE model may be as much as a year out of date. If retail prices have declined after the BACE input data was gathered, then BACE would not even reflect current retail prices in the markets for which the business case analysis is being conducted.

⁴⁸ TRO ¶ 518.

1 **Q. HAVE YOU CONDUCTED ANY SENSITIVITY ANALYSES TO**
2 **DEMONSTRATE WHAT THE EFFECT WOULD BE OF ASSUMING**
3 **THAT PRICES DECLINE OVER TIME?**

4 A. Yes. I have conducted a sensitivity study of this issue. I have assumed that prices
5 will decline by a modest 1 percent annually. This had the effect of reducing total
6 NPV from \$91.6 million to \$67.2 million. This sensitivity is shown in Exhibit
7 JCK-5.

8 **Q. HAVE YOU CONDUCTED A SENSITIVITY STUDY THAT COMBINES**
9 **THE EFFECTS OF CHANGING FEW OF THE MOST UNSUPPORTED**
10 **INPUT ASSUMPTIONS IN THE BACE MODEL?**

11 A. Yes, I have. I have conducted a BACE run for Alabama that incorporates three
12 changes, *i.e.*, a 5 percent ultimate market share (instead of the 15% market share),
13 a straight-line penetration of the market (instead of the more rapid penetration
14 rate), and a 1 percent per year decline in prices (instead of the flat pricing
15 assumptions). This reduces total NPV from \$91.6 million to less than \$1 million.
16 This sensitivity is attached as Exhibit JCK-6.

17 **IV. OTHER ANALYSES RAISE CONCERNS ABOUT THE BACE MODELS**
18 **STRUCTURE**

19 **Q. ARE THERE OTHER CONCERNS YOU HAVE ABOUT THE INPUTS TO**
20 **THE BACE MODEL, OR THE WAY THOSE INPUTS ARE EMPLOYED**
21 **IN BACE?**

22 A. Yes, I have identified several other areas of the model that appear to have
23 problems, although my lack of access to the code and underlying tables has
24 hindered the completion of these analyses. As a result, our review is ongoing and
25 contingent upon accessing the model and code to complete these types of
26 analyses. Once we are provided the necessary level of access to the model

1 algorithms and data assumptions to complete these analyses, we will supplement
2 this testimony.

1 **Filtering Negative Margin Assumption**

2 BellSouth's BACE model assumes that the CLECs will not serve geographic
3 areas that are not profitable.⁴⁹ For example, BellSouth may remove certain wire
4 centers or geographic areas from the business case analysis results where
5 revenues do not exceed direct costs.

6 First, selectively eliminating customers in this way creates a significant potential
7 for introducing mathematical errors. Once groups of wire centers or geographic
8 areas are excluded from the business case analysis, the model needs to properly
9 recalculate and reallocate to the remaining customers costs that are fixed and
10 attributable to the entire study market (for example, many of the costs associated
11 with the single switch placed in the LATA). This reallocation would presumably
12 cause other initially NPV positive markets included in the study to turn negative.

13 Other potential problems exist with respect to input assumptions related to
14 purchasing power and other operating costs that implicitly assume that the level of
15 CLEC entry will be sufficient to permit the CLEC to achieve the cost reducing
16 effects of scale economies to the same extent BellSouth does today. For example,

⁴⁹ For example, The BACE Methodology Manual describes the "FilterNegativeMarginMassMarketInMarkets optimization toggle" as allowing the user to determine if BACE will automatically remove Mass Market customers from Markets in which the Mass Market customers have a negative NPV. If this toggle is set to "Y", BACE examines the aggregate direct costs and revenues for Mass Market customers for the positive contribution-wire centers (if the FilterNegativeMarginCLLIs is set to Y, all wire centers otherwise) within each market to determine if those customers provide a positive contribution to the CLEC, *i.e.*, positive Mass Market NPV within each market, over the 10-year study time frame. If serving Mass Market customers within any Market has a negative NPV, BACE assumes that the CLEC would not offer services to these customers and thus the costs and revenues are removed from the overall analysis. If the

1 BellSouth's purchasing power inputs assume that the CLEC will receive the same
2 vendor price discounts that are achieved by BellSouth. However, this assumption
3 would be rendered less appropriate (1) if the CLEC captures only 5 percent of the
4 market, instead of the 15 percent assumed by BellSouth, or (2) if smaller
5 equipment quantities are purchased due to the exclusion of significant portions of
6 the market as a result of negative NPV filters that BACE employs.

7 Based on my current understanding of the BACE model, it may not re-optimize
8 the business case results once certain customers, wire centers or geographic areas
9 are excluded from the analysis – particularly in the areas of purchasing power and
10 operating efficiencies. Due to the impediments described above, we have not yet
11 been able to fully evaluate these mathematical calculations.

12 **Allocation of Fixed Costs To Other ILECs within a LATA**

13 At page 46 of his testimony, Mr. Stegeman states that “to accommodate the fact
14 that a CLEC, by installing certain equipment in a LATA, may be able to serve
15 customers via UNEs for carriers other than BellSouth within that same LATA,”
16 he has constructed BACE in a way that allocates “some of the fixed costs within a
17 LATA to both the BellSouth operating area and the other ILECs within the
18 LATA.”

FilterNegativeMarginMassMarketInMarkets toggle is set to N, all remaining Mass Market customers remain in the analysis.

1 The problem with this approach is that by allocating a certain proportion of fixed
2 costs to these customers, Mr. Stegeman implicitly *assumes* that doing so would be
3 NPV positive (or at least break even) for the CLEC, without conducting an
4 analysis that would suggest this is so. To the extent serving these customers
5 would be NPV negative -- which is more likely in markets where triggers do not
6 apply -- the full fixed costs of the network would have to be paid by the BellSouth
7 customers that are the subject of the BACE analysis. In short, this assumption
8 tends to understate CLEC impairment with respect to BellSouth's customers.

9 **DSL Deployment**

10 BellSouth also assumes in its impairment analysis that the CLEC will be offering
11 DSL services in markets where it establishes collocation. But many of today's
12 CLEC UNE-P customers do not obtain DSL services from the CLEC that
13 provides local service using UNE-P. Instead, they may receive DSL service from
14 an ILEC, a CLEC that specializes in DSL, or competing high-speed Internet
15 access cable provider. Where one observes in the "real world" that CLECs do not
16 attempt to provide DSL services themselves, but instead contract with a specialist
17 (such as Covad) to provide these services, this is strong market evidence of a
18 separate market, and one in which significant customer penetration is necessary in
19 order to achieve necessary economies of scope and scale. Without understanding
20 more precisely how the customers in each wire center were separated into the five
21 customer segments (one residential and four business), the extent of existing DSL
22 penetration for each of these customer classes in each wire center, the full costs
23 that the BACE model calculates for providing DSL service, and the extent to

1 which DSL service is provided in the “real world” by CLECs, DLECs or the
2 ILEC, the BACE assumptions about DSL penetration in each customer class
3 cannot be effectively evaluated.

4 **Terminal Value**

5 BellSouth’s BACE model erroneously assumes that the CLEC business, including
6 its assets, will be sold at the end of year 10 for a value equal to the net book value
7 of the remaining assets. In my view, the decision to include a terminal value in
8 the business case analysis is conceptually flawed. First, the TRO does not
9 contemplate an efficient CLEC selling its assets. Second, the inclusion of a
10 terminal value assumes that the venture is profitable from that point on, instead of
11 testing to determine if it is profitable. Instead of testing to determine whether
12 revenues will exceed the costs of serving the mass market at that point, BellSouth
13 assumes -- by virtue of including a sale value at the end of the 10 year period --
14 that the venture will be NPV positive.⁵⁰

15 **V. OTHER SENSITIVITY STUDIES ESTABLISH THAT THE BACE** 16 **MODEL IS UNSTABLE, AND GENERATES ANAMOLOUS RESULTS**

⁵⁰ The BACE Methodology Manual at page 26 states that the IncludeTerminalValue toggle permits the user to have the model either “include or exclude a terminal value in the derivation of the model’s NPV. If the user sets IncludeTerminalValue = “Y” then BACE will include a multiple of the net book value of the assets in the NPV calculation. The model assumes the CLEC business, including its assets, is sold (as an ongoing business) at the end of year 10 for a value equal to the net book value of the remaining assets. The net book value is discounted appropriately. If the user sets IncludeTerminalValue = “N” then BACE will not include any terminal value in the NPV. (Note: The multiple used is the value of the TerminalValueMultiplier).”

1 **Q. IN ADDITION TO THE SENSITIVITIES ASSOCIATED WITH THE**
2 **INPUT CHANGES THAT YOU ADVOCATE, HAVE YOU CONDUCTED**
3 **OTHER SENSITIVITY STUDIES OF BACE?**

4 A. Yes. Undertaking sensitivity studies is an important initial step in seeking to
5 understand how a model works, or in seeking to ensure that a model one has
6 constructed is working properly. By implementing a series of independent
7 changes to the model inputs, one examines both the direction of changes in the
8 model outputs and the magnitude of those changes to determine whether these
9 conform to the analyst's expectations. Where possible, it is useful to examine
10 these sensitivity results at a granular level, because where results conform to
11 expectations in certain instances, but not in others, this too can be indicative of a
12 potential modeling deficiency. Sometimes, of course, these results indicate that
13 the analyst's expectations were flawed. In other circumstances, these
14 unanticipated results indicate that the model is flawed – often because the model
15 incorporates a simplifying assumption where a more sophisticated assumption is
16 required.

17 As I note above, sensitivity studies are only the first step in evaluating a model –
18 but they are an important first step. If unanticipated results are obtained, it is
19 critical that the causes of these results be fully understood before the model is
20 used for decision-making. This, in turn, requires access to the underlying input
21 data and to the source code in a form that permits the code to be changed, re-
22 compiled and re-run. The process of altering the inputs and/or computer code, re-
23 compiling the program and re-running the model is required (1) to help determine

1 where in the model anomalous results are being created, and (2) to ensure that
2 whatever changes are being proposed actually serve to eliminate the problem. As
3 I stated above, BellSouth has not provided either the full range of input data, or
4 the source code in the necessary format.

5 After running the BACE model with BellSouth's initial inputs – to establish that I
6 was able to reproduce Mr. Stegeman's results – I made several different
7 sensitivity runs. The results of these sensitivity runs suggest the need for the
8 Commission to be extremely skeptical about the BACE model results.

9 **Long Distance NPV**

10 As a threshold matter, the impairment standard requires an analysis of geographic
11 and product markets to estimate whether an efficient CLEC could profitably serve
12 a particular market. As the following table demonstrates, the Alabama mass
13 market (*i.e.*, residential plus small business customers) achieves the majority of its
14 profits (approximately 60 percent) from the long distance product category. As
15 discussed above, due to the intense competition in the long distance market,
16 analysts expect volumes and prices to decline in lockstep for the foreseeable
17 future, thus reducing the revenues associated with long distance services. In
18 addition to IXC's, there are RBOCs, CLECs and traditional long distance resellers
19 competing in this product space. In addition, there is significant intermodal
20 competition from wireless carriers today, which is expected to intensify in the
21 future, and VoIP is expected to become increasingly competitive. Thus, the fact

1 that such a large proportion of the profits that BellSouth assumes a CLEC will be
2 able to earn are from a highly competitive and shrinking long distance product
3 market (that today's CLECs could have already entered if its economics were so
4 favorable) suggests that the assumptions used in BACE are unrealistic.

5 **Table JCK- 5**
6 **Summary Of Net Present Value By Customer And Product Segment**
BellSouth Alabama
Net Present Value

	Eqn	All Products	Local	Long Distance	Internet	VoiceMail
Business						
SOHO	a	\$15,439,108	11,244,470	3,580,348	246,942	367,348
SME/A	b	\$6,665,087	(\$6,742,681)	8,655,224	4,002,505	750,038
SME/B	c	\$8,660,302	3,098,573	5,172,357	140,835	248,537
SME/C	d	\$16,527,555	8,533,077	7,742,447	252,032	-
Residential	e	<u>\$44,356,811</u>	<u>\$8,369,274</u>	<u>30,193,329</u>	<u>1,956,306</u>	<u>3,837,902</u>
Total	f = sum (a:e)	\$91,648,862	\$24,502,713	\$55,343,704	\$6,598,619	\$5,203,826
NPV for Mass Market	g = a + e	\$59,795,919	\$19,613,744	\$33,773,677	\$2,203,248	\$4,205,250
NPV for Enterprise	h = f - g	\$31,852,944	\$4,888,969	\$21,570,027	\$4,395,372	\$998,576

7

8 **Effect of Applying the 10% Price Discount to All Products**

9 BellSouth claims or suggests that its business case analysis is conservative
10 because it applies a 10% price discount to estimate a CLEC retail price. Contrary
11 to its claims, the CLEC discount of 10% BellSouth uses as a default input does
12 not get applied to all products and services; instead, it is applied only to the prices
13 for line subscriptions, installations and regulatory charges. This has the effect of
14 inflating the NPV and revenues in the initial BACE model. By first eliminating
15 the original CLEC discount from BACE, and then applying a 10% discount to all

1 products and bundles to more accurately reflect the price discount a CLEC would
2 have to offer a customer in order to convince them to switch providers, the overall
3 NPV drops 36.4% The detailed results are summarized on Exhibit JCK-7.

4 **Table JCK – 6**
5
6 **Comparison of BellSouth CLEC Discount to 10% Discount Applied on all Products**
7 **for Alabama**

	<u>Mass Market NPV</u>	<u>Total NPV</u>
BellSouth BACE for Alabama	59,795,918.72	91,648,862.38
10% Base Year Price Discount on all Products	33,327,840.99	58,277,574.03

8

9

10 **Bundle Discount Input Assumption**

11 BellSouth’s BACE model allows the user to adjust the products in a bundle that
12 are included in the bundle discount calculation. On page 31 of “The BellSouth
13 Analysis of Competitive Entry Model Methodology Manual,” BellSouth states:

14 Fifth, bundle adjustment factors are determined for each product in
15 each market. By comparing the sum of *à la carte* prices (for a
16 given customer bundle in a given area) with the actual bundle price
17 for the same area and customer group, a retail price to bundle price
18 adjustment factor can be calculated. The user has an option to
19 exclude certain products in each bundle from this bundle discount
20 calculation through the IncludedInDiscount field.

21 The sixth task is to determine the implied or imputed discount off
22 of the *à la carte* product prices for each product (this is controlled
23 by the user as noted in the prior paragraph) within the bundles.
24 This is accomplished by multiplying bundle adjustment factors for
25 each bundle by the *à la carte* prices for each bundle component.
26 As noted, the user has the option of excluding product components
27 from this implied discounting process. Alternatively, the user could
28 assume only toll products should receive the discount by adjusting

1 the IncludeInDiscount field for only toll products within the bundle
2 definition.

3 This calculation of implied or imputed prices for products within a
4 bundle does not affect the NPV (vis-à-vis a calculation with bundle
5 prices only). However, this assumption allows for greater ease in
6 modeling (in the P, Q, and R processes) and reviewing model
7 results at various levels along the product, customer and location
8 hierarchies.

9 Adjusting the BACE model run submitted by BellSouth by changing only the
10 “IncludedInDiscount” field, however, produces anomalous results. Exhibit JCK-8
11 shows a net present value of zero for all mass markets if the
12 “IncludedInDiscount” field is set to “Yes” for all “Subscription” Product
13 Elements, which is not the same result reflected in the BACE model run filed by
14 BellSouth. This is inconsistent with the above-quoted language from the BACE
15 Methodology Manual, which states that “[t]his calculation of implied or imputed
16 prices for products within a bundle does not affect the NPV (vis-à-vis a
17 calculation with bundle prices only).” That the result is quite different from the
18 way it is described in the model documentation is further evidence that the model
19 is not working as intended by BellSouth, is unstable, and not yet reliable.

20 **Churn**

21 Two of the studies I undertook were to decrease the levels of churn in the model
22 by 20 percent – which should presumably *increase* the NPV shown for each wire
23 center and CEA/UNE zone market – and alternatively to increase the level of
24 churn assumed in the model by 25 percent – which should presumably *decrease*
25 the NPV shown for each wire center and CEA/UNE zone market. My sensitivity

1 studies of customer churn are set forth in Exhibit Nos. JCK-9 and JCK-10. The
2 first table of each exhibit shows the effects on NPV calculations for both mass
3 market and total market; the second table of each exhibit shows these effects on a
4 wire center-by-wire center basis.

5 These results indicate a potential flaw in the BACE model. Because higher levels
6 of customer churn – all other things being equal – should increase the cost of
7 generating the same level of revenues, one would expect higher levels of
8 customer churn to decrease NPV, and lower levels of customer churn to increase
9 NPV. Yet, Exhibit Nos. JCK-9 and JCK-10 contain several examples where this
10 expectation is not met by the BACE model. For example, when churn is
11 decreased by 20 percent, the NPV for 2 wire centers declines. Specifically, wire
12 center THVLALMA's NPV decreased from \$44,346 to \$16,633.

13 It is difficult to understand how these BACE results could be accurate. Because
14 increasing levels of churn increase the costs of serving the same number of
15 customers (and, therefore, of earning the same revenues), NPV should
16 consistently decline. The reasons why this does not happen in BACE are unclear
17 – the reasons first need to be fully understood, and then necessary changes made
18 to the model before it can be relied upon.

19 **Other Taxes**

20 The BACE Model inaccurately calculates taxes when the model produces a
21 negative Net Present Value for the CLEC. As the following excerpt from Mr.
22 Stegeman's deposition in the Florida proceeding indicates, he was aware of an

1 error inherent in the taxes calculation of the BACE code that he chose not to fix.

2 The following is an excerpt from that deposition.

3
4 A So let me restate it then. What happens is, the firm in total is losing money. So the allocation
5 scheme does -- I don't want to say fall part. It just -- it produces anomalous results because we've
6 exceeded what we had thought people would be looking at for results underneath. If the firm in
7 total is losing money, does it then make sense to look at individual markets underneath of it
8 because the firm is impaired? So it's one of those convoluted things. We could potentially make a
9 correction to the allocation scheme so that the allocation scheme works well when you have a
10 positive post-tax NPV. If you have a negative post-tax NPV, we would probably need to adjust the
11 allocation of the taxes so that there is some, some recognition of the fact that we don't necessarily
12 want to drive what's positive to negative and what's negative to positive because of this flipping.

13
14 Q Just real quick for my clarification. You mentioned a correction. Does that correction need to
15 be in the model?

16
17 A The reason I'm hesitating is when I looked at this, I struggled with the concept of if the firm is
18 losing money in total, what decisions do you then make underneath of that, and that's why I
19 hesitate. Does it make sense to make an adjustment for the fact that the firm in total is negative?
20 A correction could be made. We would just have to put in a, a flag to capture the fact that if the
21 NPV is negative for the firm after tax, use this allocation scheme versus the other one. But again I
22 come back to, is that -- does it make sense to do that? Do the answers -- if you find that the firm
23 in total is negative but a market is positive, I guess it's for a larger discussion. I'm just not sure
24 what that means.⁵¹

25 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

26 A. Yes.

⁵¹ Mr Stegeman Deposition, Docket No. 030851-TP, February 16, 2004, page 60-61.

CURRICULUM VITAE
OF
JOHN C. KLICK

EDUCATION

Bates College, Lewiston, Maine, 1970
Bachelor of Science - Mathematics

Department of Agriculture Graduate School, 1972
Graduate Courses in Operations Research

Loyola College, Baltimore, Maryland, 1973-1974
Graduate Courses in Accounting and Finance

EMPLOYMENT HISTORY

Southern Railway System Washington, DC, 1970 - 1974
Management Trainee (Marketing Department)
Assistant Cost Analyst
Cost Analyst

R. L. Hines Associates, Inc. Washington, DC, 1974 - 1976
Transportation Economist

Snively, King & Associates, Inc. Washington, DC, 1976
Consultant

Southern Railway System Washington, DC, 1976 - 1978
Market Analyst, Coal and Construction Materials

United States Railway Association Washington, DC, 1978 - 1980
Manager, Traffic and Operations Analysis
Assistant Director, Traffic and Operations Analysis
Deputy Director, Asset Valuation

Snively, King & Associates, Inc. Washington, DC, 1980 - 1987
Senior Consultant
Vice President

Klick, Kent & Allen, Inc. Alexandria, Virginia, 1987 - 1998
Principal

FTI Consulting, Inc. Washington, DC, 1998 - Present
Senior Managing Director, Financial Consulting Division

TELECOMMUNICATIONS TESTIMONY

Courts

December 4, 2000 United States District Court, Central District of California, Western Division. Case No. 99-11641 RSWL (RCx). Arthur Simon, et al, v. American Telephone & Telegraph Corp.; At Home Corporation; Arahova Communications, Inc.; Cox Communications, Inc.; Comcast Corporation; Cablevision Systems Corp.; Garden State Cablevision LP; Jones Intercable, Inc.; Time Warner, Inc.; Time Warner Entertainment Co., L.P.; TWE □ A/N Partnership; MediaOne Group; Servico L.L.C.; and Telecommunications, Inc. Declaration of John C. Klick and Brian F. Pitkin In Support of Defendants□ Motion In Opposition To Plaintiffs□ Motion for Class Certification.

Federal Communications Commission

May 26, 1999 CC Docket No. 96-98. In the Matter of Implementation of the Local Competition Provisions of the Telecommunications Act of 1996. Affidavit of John C. Klick and Brian F. Pitkin.

May 26, 1999 CC Docket No. 96-98. In the Matter of Implementation of the Local Competition Provisions of the Telecommunications Act of 1996. Affidavit of Michael J. Boyles, John C. Klick and Brian F. Pitkin.

June 10, 1999 CC Docket No. 96-98. In the Matter of Implementation of the Local Competition Provisions of the Telecommunications Act of 1996. Reply Affidavit of Michael R. Baranowski, John C. Klick and Brian F. Pitkin.

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March 13, 2001 File No. EB-00-MD-001. In the Matter of AT&T Corp. v. Business Telecom Inc. Affidavit of John C. Klick

October 10, 2002 WC Docket No. 02-307. In the Matter of Application by BellSouth Corporation, for Authorization To Provide In-Region, InterLATA Services in the States of Florida and Tennessee. Declaration of John C. Klick and Brian F. Pitkin on Behalf of AT&T Corp.

November 1, 2002 WC Docket No. 02-307. In the Matter of Application by BellSouth Corporation, for Authorization To Provide In-Region, InterLATA Services in the States of Florida and Tennessee. Reply Declaration of John C. Klick and Brian F. Pitkin on Behalf of AT&T Corp.

November 16, 2002 WC Docket No. 02-307. In the Matter of Application by BellSouth Corporation, for Authorization To Provide In-Region, InterLATA Services in the States of Florida and Tennessee. Further Declaration of John C. Klick and Brian F. Pitkin on Behalf of AT&T Corp.

January 7, 2003 WCB Docket No. 03-18. In the Matter of Alascom, Inc. Request for Waiver of Commission Rule And Orders Requiring Annual Tariff Revision, Alascom, Inc. Petition for Waiver, Declaration of John Klick and Julie Murphy

March 5, 2003 WCB Docket No.03-18. In the Matter of Alascom, Inc. Request for Waiver of Commission Rule And Orders Requiring Annual Tariff Revision, Alascom, Inc. Petition for Waiver, Reply Declaration of John Klick and Julie A. Murphy.

March 13, 2003	WCB Docket No.03-18. In the Matter of Alascom, Inc. Request for Waiver of Commission Rule And Orders Requiring Annual Tariff Revision, Alascom, Inc. Petition for Waiver, Declaration of John Klick and Julie Murphy, In Support of Alascom's Opposition to General Communication, Inc. FOIA, Control No. 2003-208.
April 4, 2003	WCB Docket No.03-18. In the Matter of Alascom, Inc. Request for Waiver of Commission Rule And Orders Requiring Annual Tariff Revision, Alascom, Inc. Petition for Waiver, Declaration of John Klick and Julie A. Murphy, Supplement to Waiver Request and Supplement to Response to FOIA Request.
December 16, 2003	WC Docket No. 03-173. Review of the Commission's Rules Regarding the Pricing of Unbundled Network Elements and the Resale of Service by Incumbent Local Exchange Carriers.
January 30, 2004	WC Docket No. 03-173. Review of the Commission's Rules Regarding the Pricing of Unbundled Network Elements and the Resale of Service by Incumbent Local Exchange Carriers.

Public Utilities Commission of the State of California

December 4, 1998	Case No. R93-04-003. Rulemaking on the Commission's Own Motion to Govern Open Access to Bottleneck Services and Establish a Framework for Network Architecture Development of Dominant Carrier Networks. Initial Statement of John C. Klick
August 20, 2001	Application No. 01-02-024. Joint Application of AT&T Communications of California, Inc. (U 5002 C) and WorldCom, Inc. for the Commission to Reexamine the Recurring Costs and Prices of Unbundled Switching in Its First Annual Review of Unbundled Network Element Cost Pursuant to Ordering Paragraph 11 of D.99-11-050. Testimony of John C. Klick in Support of Joint Applicants□ Motion for Interim Relief
September 7, 2001	Application No. 01-02-024. Joint Application of AT&T Communications of California, Inc. (U 5002 C) and WorldCom, Inc. for the Commission to Reexamine the Recurring Costs and Prices of Unbundled Switching in Its First Annual Review of Unbundled Network Element Cost Pursuant to Ordering Paragraph 11 of D.99-11-050. Declaration of John C. Klick in Support of Reply Comments of Joint Applicants□ Regarding Unbundled Loop Interim Proposal
October 30, 2001	Application No. 01-02-024. Joint Application of AT&T Communications of California, Inc. (U 5002 C) and WorldCom, Inc. for the Commission to Reexamine the Recurring Costs and Prices of Unbundled Switching in Its First Annual Review of Unbundled Network Element Cost Pursuant to Ordering Paragraph 11 of D.99-11-050. Declaration of John C. Klick in Support of Reply Comments of Joint Applicants□ Regarding Unbundled Loop Interim Proposal
November 5, 2001	Application No. 01-02-024. Joint Application of AT&T Communications of California, Inc. (U 5002 C) and WorldCom, Inc. for the Commission to Reexamine the Recurring Costs and Prices of Unbundled Switching in Its First Annual Review of Unbundled Network Element Cost Pursuant to Ordering Paragraph 11 of D.99-11-050. Declaration of John C. Klick in Support of Response of Joint Applicants to (1) Motion of Pacific Bell Telephone Company (U 1001 C) to Notify Parties of Discounted Switching UNE Prices; and (2) Pacific Bell Telephone Company's (U 1001 C) Motion to Vacate the Assigned Commissioner's and Administrative Law Judge's Ruling of September 28, 2001 as Moot

November 9, 2001	Application No. 01-02-024. Joint Application of AT&T Communications of California, Inc. (U 5002 C) and WorldCom, Inc. for the Commission to Reexamine the Recurring Costs and Prices of Unbundled Switching in Its First Annual Review of Unbundled Network Element Cost Pursuant to Ordering Paragraph 11 of D.99-11-050. Declaration of John C. Klick in Support of Reply Comments of Joint Applicants Regarding Unbundled Switching Interim Proposal
September 9, 2002	Rulemaking 93-04-003. Rulemaking on the Commission's Own Motion to Govern Open Access to Bottleneck Services and Establish A Framework for Network Architecture Development of Dominant carrier Networks. Investigation 93-04-002. Investigation on the Commission's Own Motion into Open Access and Network Architecture Development of Dominant Carrier Networks. Declaration of John C. Klick in Support of Proposal of AT&T Communications of California, Inc. (U 5002-C) and WorldCom, Inc. ("Joint Commentors") For Interim Unbundled Network Element Rates.
September 20, 2002	Rulemaking 93-04-003. Rulemaking on the Commission's Own Motion to Govern Open Access to Bottleneck Services and Establish A Framework for Network Architecture Development of Dominant carrier Networks. Investigation 93-04-002. Investigation on the Commission's Own Motion into Open Access and Network Architecture Development of Dominant Carrier Networks. Declaration of John C. Klick in Support of Proposal of AT&T Communications of California, Inc. (U 5002-C) and WorldCom, Inc. ("Joint Commentors") For Interim Unbundled Network Element Rates.
October 18, 2002	Application No. 01-02-024. Joint Application of AT&T Communications of California, Inc. (U 5002 C) and WorldCom, Inc. for the Commission to Reexamine the Recurring Costs and Prices of Unbundled Switching in Its First Annual Review of Unbundled Network Element Cost Pursuant to Ordering Paragraph 11 of D.99-11-050. Declaration of John C. Klick in Support of Joint Applicants' Opening Comments.

Public Utilities Commission of the State of Colorado

February 21, 1997	Docket No. 96S-331T. In the Matter of the Investigation and Suspension of Tariff Sheets Filed by U S WEST Communications, Inc., With Advice Letter No. 2617, Regarding Tariffs For Interconnection, Local Termination, Unbundling and Resale of Services, Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.
March 6, 1997	Docket No. 96S-331T. In the Matter of the Investigation and Suspension of Tariff Sheets Filed by U S WEST Communications, Inc., With Advice Letter No. 2617, Regarding Tariffs For Interconnection, Local Termination, Unbundling and Resale of Services, Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.
March 26, 1997	Docket No. 96S-331T. In the Matter of the Investigation and Suspension of Tariff Sheets Filed by U S WEST Communications, Inc., With Advice Letter No. 2617, Regarding Tariffs For Interconnection, Local Termination, Unbundling and Resale of Services, Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.
May 6, 1997	Docket No. 97M-063T. In the Matter of the Administration of the Colorado High Cost Fund and the Development of a Cost Model, Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.
May 23, 1997	Docket No. 97M-063T. In the Matter of the Administration of the Colorado High Cost Fund and the Development of a Cost Model, Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.

November 17, 1997 Docket No. 97M-063T. In the Matter of the Administration of the Colorado High Cost Fund and the Development of a Cost Model, Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.

Public Service Commission of the District of Columbia

March 24, 1997 Formal Case No. 962. In the Matter of the Implementation of the District of Columbia Telecommunications Competition Act of 1996 and implementation of 47 U.S.C. Section 252 of the Telecommunications Act of 1996.

May 2, 1997 Formal Case No. 962. In the Matter of the Implementation of the District of Columbia Telecommunications Competition Act of 1996 and implementation of 47 U.S.C. Section 252 of the Telecommunications Act of 1996.

Florida Public Service Commission

November 13, 1997 Docket No. 960833-TP/960846-TP/971140-TP. In the matter of certain terms and conditions of proposed agreement concerning interconnection and resale, Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.

Idaho Public Utilities Commission

November 22, 1996 Docket No. USW-T-96-15/ATT-T-96-2. In the Matter of the Interconnection Contract Negotiations Between AT&T Communications of the Mountain States, Inc., and U S WEST Communications, Inc., Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.

January 31, 1997 Docket No. USW-T-96-15/ATT-T-96-2. In the Matter of the Interconnection Contract Negotiations Between AT&T Communications of the Mountain States, Inc., and U S WEST Communications, Inc., Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.

State of Iowa Department of Commerce Utilities Board

October 7, 1996 Docket No. ARB-96-3. In the Matter of the Interconnection Contract Negotiations Between AT&T Communications of the Midwest, Inc., and GTE Communications, Inc. , Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.

October 21, 1996 Docket No. ARB-96-3. In the Matter of the Interconnection Contract Negotiations Between AT&T Communications of the Midwest, Inc., and GTE Communications, Inc., Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.

April 23, 1997 Docket No. RPU-96-9. Application for rehearing in part for purposes of Clarification and Correction, Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.

July 30, 1997 Docket No. RPU-96-9. . Application for rehearing in part for purposes of Clarification and Correction, Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.

Kentucky Public Service Commission

November 4, 1997 Administrative Case No. 360. In the Matter of Inquiry Into Universal Service and Funding Issues, Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.

Louisiana Public Service Commission

August 25, 1997 Docket No. U-22022. Review of cost studies submitted per Local Competition Regulations in order to determine the cost of interconnection and UNEs to establish reasonable, non-discriminatory, cost-based tariffed rates. U-22093. Review of tariff filing per Local Competition Regulations, which tariff introduces interconnection and unbundled services and establishes the rates, terms, and conditions for such service offerings, Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.

January 20, 1998 Docket No. U-20993, Subdocket A (above Dockets Consolidated), Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.

State of Maryland Public Service Commission

December 5, 1997 Case No. 8766. In the Matter of the Collocation Tariff Filed Under Transmittal No. 1003 by Bell Atlantic-Maryland, Inc., Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.

Minnesota Public Utilities Commission

September 30, 1996 Docket No. P-4Y2; YOT/M-96-936. In the Matter of the Interconnection Contract Negotiations Between AT&T Communications of the Midwest, Inc., and GTE Communications, Inc., Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.

October 18, 1996 Docket No. P-442; 407/M-96-939. In the Matter of the Interconnection Contract Negotiations Between AT&T Communications of the Midwest, Inc., and GTE Communications, Inc., Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.

August 18, 1997 Docket Nos. P-42; 5321, 3167, 466, 421/CI-96-1540; OAH Docket No. 12-2500-10956-2. In the Matter of Generic Investigation of U S WEST Communications, Inc.'s Costs of Providing Interconnection and Unbundled Network Elements, Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.

October 20, 1997 Docket Nos. P-42; 5321, 3167, 466, 421/CI-96-1540; OAH Docket No. 12-2500-10956-2. In the Matter of Generic Investigation of U S WEST Communications, Inc.'s Costs of Providing Interconnection and Unbundled Network Elements, Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.

November 14, 1997 Docket No. P-442, 407, 5321, 466/CI-96-1541. In the Matter of the Investigation of GTE-Minnesota's Cost of Providing Interconnection and Unbundled Network Elements, Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.

December 19, 1997 Docket Nos. P-42; 5321, 3167, 466, 421/CI-96-1540; OAH Docket No. 12-2500-10956-2. In the Matter of Generic Investigation of U S WEST Communications, Inc.'s Costs of Providing Interconnection and Unbundled Network Elements, Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.

February 3, 1998 Docket Nos. P-999/M-97-909; OAH Docket No. 12-2500-11342-2. In the Matter of the State of Minnesota's Possible Election to Conduct its own Forward-Looking Economic Cost study to Determine the Appropriate Level of Universal Service Support, Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.

March 2, 1998	Docket Nos. P-42; 5321, 3167, 466, 421/CI-96-1540; OAH Docket No. 12-2500-10956-2. In the Matter of Generic Investigation of U S WEST Communications, Inc.'s Costs of Providing Interconnection and Unbundled Network Elements, Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.
March 23, 1998	Docket Nos. P-42; 5321, 3167, 466, 421/CI-96-1540; OAH Docket No. 12-2500-10956-2. In the Matter of Generic Investigation of U S WEST Communications, Inc.'s Costs of Providing Interconnection and Unbundled Network Elements, Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.
April 6, 1998	Docket Nos. P-42; 5321, 3167, 466, 421/CI-96-1540; OAH Docket No. 12-2500-10956-2. In the Matter of Generic Investigation of U S WEST Communications, Inc.'s Costs of Providing Interconnection and Unbundled Network Elements, Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.
July 14, 1998	Docket Nos. P-42; 5321, 3167, 466, 421/CI-96-1540; OAH Docket No. 12-2500-10956-2. In the Matter of Generic Investigation of U S WEST Communications, Inc.'s Costs of Providing Interconnection and Unbundled Network Elements, Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.
May 26, 2000	Docket No. P-421/CI-99-1665 ;OAH Docket No. 12-2500-12631-2. In the Matter of a Commission Initiated Investigation into U S WEST Communications, Inc.'s Costs Related to Provision of Line Sharing Service
June 30, 2000	Docket No. P-421/CI-99-1665 ;OAH Docket No. 12-2500-12631-2. In the Matter of a Commission Initiated Investigation into U S WEST Communications, Inc.'s Costs Related to Provision of Line Sharing Service

Public Service Commission of Missouri

September 25, 1998	Docket TO-98-329. In the Matter of an Investigation into Various Issues Related to the Missouri Universal Service Fund.
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Public Service Commission of the State of Montana

November 22, 1996	Docket No. D96.11.200. In the Matter of the Interconnection Contract Negotiations Between AT&T Communications of the Mountain States, Inc., and U S WEST Communications, Inc., Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.
January 22, 1997	Docket No. D96.11.200. In the Matter of the Interconnection Contract Negotiations Between AT&T Communications of the Mountain States, Inc., and U S WEST Communications, Inc., Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.
January 29, 1997	Docket No. D96.11.200. In the Matter of the Interconnection Contract Negotiations Between AT&T Communications of the Mountain States, Inc., and U S WEST Communications, Inc., Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.

Nebraska Public Service Commission

October 18, 1996	Docket No. C-1400. In the Matter of the Interconnection Contract Negotiations Between AT&T Communications of the Midwest, Inc., and GTE Communications, Inc., Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.
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New Jersey Board of Public Utilities

September 18, 1996 Docket No. TO 96070519. In the Matter of Petition of AT&T Communications of New Jersey, Inc. for Arbitration with Bell Atlantic - New Jersey, Inc., Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.

December 20, 1996 Docket No. TX 95120631. Notice of Investigation Local Exchange Competition for Telecommunications Services, Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.

October 20, 1997 Docket No. TX 95120631. Notice of Investigation Local Exchange Competition for Telecommunications Services, Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.

New Mexico Corporation Commission

November 22, 1996 Docket No. 96-411-TC. In the Matter of the Interconnection Contract Negotiations Between AT&T Communications of the Mountain States, Inc., and U S WEST Communications, Inc., Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.

January 20, 1997 Docket No. 96-411-TC. In the Matter of the Interconnection Contract Negotiations Between AT&T Communications of the Mountain States, Inc., and U S WEST Communications, Inc., Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.

June 13, 1997 Docket No. 97-35-TC. In the Matter of the Interconnection Contract Negotiations Between AT&T Communications of the Mountain States, Inc. and GTE Southwest, Inc., Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.

October 21, 1997 Docket No. 96-310-TC; Docket No. 97-334-TC. In the Matter of the Implementation of the New Rules Related to the Rural High Cost Fund, and Low Income Components of the New Mexico Universal Service Fund, Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.

November 21, 1997 Docket No. 96-310-TC; Docket No. 97-334-TC. In the Matter of the Implementation of the New Rules Related to the Rural High Cost Fund, and Low Income Components of the New Mexico Universal Service Fund, Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.

January 14, 1998 Docket No. 96-310-TC; Docket No. 97-334-TC. In the Matter of the Implementation of the New Rules Related to the Rural High Cost Fund, and Low Income Components of the New Mexico Universal Service Fund, Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.

State of New York Public Service Commission

March 27, 1998 Case No. 95-C-0657. In the matter of Wholesale Provisioning of Local Exchange Service. 94-C-0095. In the matter of the Continuing Provision of Universal Service and Developing a Regulatory Framework for the Transition to Competition in the Local Exchange Market. 91-C-1174. In the matter of Comparably Efficient Interconnection Arrangements for Residential and Business Links, Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.

October 31, 2003	Case 03-C-0980. Proceeding On Motion Of The Commission As To The Rates, Charges, Rules And Regulations Relating To The Provisioning Of Direct Current Power By Verizon-New York Inc. For Use In Connection With Collocation Spaces
November 24, 2003	Case 03-C-0980. Proceeding On Motion Of The Commission As To The Rates, Charges, Rules And Regulations Relating To The Provisioning Of Direct Current Power By Verizon-New York Inc. For Use In Connection With Collocation Spaces

North Carolina Public Staff Utilities Commission

December 15, 1997	Docket No. P-100, Sub 133d. In the Matter of the Determination of Permanent Pricing for Unbundled Network Elements, Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.
January 30, 1998	Docket No. P-100, Sub 133b. In the Matter of Establishment of Universal Support Mechanisms, Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.
February 16, 1998	Docket No. P-100, Sub 133d. In the Matter of the Determination of Permanent Pricing for Unbundled Network Elements, Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.
March 9, 1998	Docket No.: P-55, Sub 133d. In the Matter of the Determination of Permanent Pricing for Unbundled Network Elements, Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.
February 16, 2004	Docket No. P-100, Sub 133q. In the Matter of the Triennial Review Order – UNE-P

State of North Dakota Public Service Commission

November 22, 1996	Docket No. PU-453-96-497. In the Matter of the Interconnection Contract Negotiations Between AT&T Communications of the Midwest, Inc., and U S WEST Communications, Inc., Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.
February 14, 1997	Docket No. PU-453-96-497. In the Matter of the Interconnection Contract Negotiations Between AT&T Communications of the Midwest, Inc., and U S WEST Communications, Inc., Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.
November 10, 1997	Docket No. PU-314-97-465. In the Matter of U S WEST Communications, Inc. Universal Service Costs Investigation, Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.
December 22, 1997	Case No. PU-314-97-12. In the Matter of U S West Communications, Inc. Interconnection/ Wholesale Price Investigation, Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.

Oregon Public Utility Commission

October 8, 1996	Docket No. ARB-5. In the Matter of the Interconnection Contract Negotiations Between AT&T Communications of the Pacific Northwest, Inc., and GTE Communications, Inc., Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.
February 24, 1998	UM 731, Phase 111. In the Matter of the Investigation into Universal Service in the State of Oregon, Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.

Pennsylvania Public Utility Commission

May 21, 1999 Docket Nos. P-00991648 and P-00991649. Petition of Senators and CLECs for Adoption of Partial Settlement and Joint Petition for Global Resolution of Telecommunications Proceeding.

South Carolina Public Service Commission

November 10, 1997 Docket No. 97-239-C. In the Matter of Intrastate Universal Service Fund, Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.

Public Utilities Commission of the State of South Dakota

November 20, 1996 Docket No. TC-96-184. In the Matter of the Interconnection Contract Negotiations Between AT&T Communications of the Midwest, Inc., and U S WEST Communications, Inc., Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.

January 27, 1997 Docket No. TC-96-184. In the Matter of the Interconnection Contract Negotiations Between AT&T Communications of the Midwest, Inc., and U S WEST Communications, Inc., Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.

Tennessee Regulatory Authority

February 27, 2004 Docket No. 03-00491. In re: Implementation of requirements arising from Federal Communications Commission triennial UNE review: Local Circuit Switching for Mass Market Customers.

Public Utility Commission of Texas

February 27, 1998 Docket No. 18515. Compliance Proceeding for Implementation of the Texas High Cost Universal Service Plan, Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.

Public Service Commission of Utah

April 23, 1997 Docket No. 94-999-01. In the Matter of an Investigation Into Collocation and Expanded Interconnection, Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.

Washington Utilities and Transportation Commission

October 28, 1996 Docket No. UT-960307. In the Matter of the Interconnection Contract Negotiations Between AT&T Communications of the Pacific Northwest, Inc., and GTE Communications, Inc., Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.

February 21, 1997 Docket No. UT-960369. In the Matter of the Pricing Proceeding for Interconnection, Unbundled Elements, Transport and Termination, and Resale. Docket No. UT-960370. In the Matter of the Pricing Proceeding for Interconnection, Unbundled Elements, Transport and Termination, and Resale for U S WEST Communications, Inc. Docket No. UT-960371. In the Matter of the Pricing Proceeding for Interconnection, Unbundled Elements, Transport and Termination, and Resale for GTE Northwest Inc., Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.

March 28, 1997 Docket No. UT-960369. In the Matter of the Pricing Proceeding for Interconnection, Unbundled Elements, Transport and Termination, and Resale. Docket No. UT-960370. In the Matter of the Pricing Proceeding for Interconnection, Unbundled Elements, Transport and Termination, and Resale for U S WEST Communications, Inc. Docket No. UT-

960371. In the Matter of the Pricing Proceeding for Interconnection, Unbundled Elements, Transport and Termination, and Resale for GTE Northwest Inc., Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.

April 25, 1997	Docket No. UT-960369. In the Matter of the Pricing Proceeding for Interconnection, Unbundled Elements, Transport and Termination, and Resale. Docket No. UT-960370. In the Matter of the Pricing Proceeding for Interconnection, Unbundled Elements, Transport and Termination, and Resale for U S WEST, Communications, Inc. Docket No. UT-960371. In the Matter of the Pricing Proceeding for Interconnection, Unbundled Elements, Transport and Termination, and Resale for GTE Northwest Incorporated, Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.
June 13, 1997	Docket No. UT-960369. In the Matter of the Pricing Proceeding for Interconnection, Unbundled Elements, Transport and Termination, and Resale. Docket No. UT-960370. In the Matter of the Pricing Proceeding for Interconnection, Unbundled Elements, Transport and Termination, and Resale for U S WEST Communications, Inc. Docket No. UT-960371. In the Matter of the Pricing Proceeding for Interconnection, Unbundled Elements, Transport and Termination, and Resale for GTE Northwest Incorporated. , Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.
June 20, 1997	Docket No. UT-960369. In the Matter of the Pricing Proceeding for Interconnection, Unbundled Elements, Transport and Termination, and Resale. Docket No. UT-960370. In the Matter of the Pricing Proceeding for Interconnection, Unbundled Elements, Transport and Termination, and Resale for U S WEST Communications, Inc. Docket No. UT-960371. In the Matter of the Pricing Proceeding for Interconnection, Unbundled Elements, Transport and Termination, and Resale for GTE Northwest Incorporated. , Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.
July 21, 2000	Docket No. UT-003013. In the Matter of the Continued Costing and Pricing of Unbundled Network Elements and Transport and Termination, Part A.
August 4, 2000	Docket No. UT-003013. In the Matter of the Continued Costing and Pricing of Unbundled Network Elements and Transport and Termination, Part A.
October 23, 2000	Docket No. UT-003013. In the Matter of the Continued Costing and Pricing of Unbundled Network Elements and Transport and Termination, Part B.
October 31, 2000	Docket No. UT-003013. In the Matter of the Continued Costing and Pricing of Unbundled Network Elements and Transport and Termination, Part B.
March 26, 2001	Docket No. UT-003013. In the Matter of the Continued Costing and Pricing of Unbundled Network Elements and Transport and Termination, Part B.

Public Service Commission of the State of Wyoming

November 22, 1996	Docket No. 72000-TF-96-95/70000-TF-96-497. In the Matter of the Interconnection Contract Negotiations Between AT&T Communications of the Mountain States, Inc., and US WEST Communications, Inc. , Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.
February 6, 1997	Docket No. 72000-TF-96-95/70000-TF-96-497. In the Matter of the Interconnection Contract Negotiations Between AT&T Communications of the Mountain States, Inc., and U S WEST Communications, Inc., Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.

September 19, 1997	Docket No. 70000-TF-96-319/72000-TF-96-95. In the Matter of the Arbitration by the Public Service Commission of an Interconnection Agreement Between U S WEST Communications, Inc., and AT&T Communications of the Mountain States, Inc., Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.
October 13, 1997	Docket No. 70000-TF-96-319/72000-TF-96-95. In the Matter of the Arbitration by the Public Service Commission of an Interconnection Agreement Between U S WEST Communications, Inc., and AT&T Communications of the Mountain States, Inc., Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.
November 14, 1997	General Order No. 81. In the Matter of the Investigation by the Commission of the Feasibility of Developing Its Own Costing Model for Use in Determining Federal Universal Service Fund Support Obligations in Wyoming, Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.
November 21, 1997	General Order No. 81. In the Matter of the Investigation by the Commission of the Feasibility of Developing Its Own Costing Model for Use in Determining Federal Universal Service Fund Support Obligations in Wyoming, Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.

ENERGY TESTIMONY

Federal Energy Regulatory Commission

May 20, 1991	Docket No. IS90-21-000 et al. Williams Pipe Line Company.
May 3, 1993	Docket No. RM93-11-000. Revisions to Oil Pipeline Regulations Pursuant to the Energy Policy Act of 1992.
November 22, 1993	Docket No. RM93-11-000. Revisions to Oil Pipeline Regulations Pursuant to the Energy Policy Act of 1992.
January 23, 1995	Docket No. IS90-21-000 et al. Williams Pipe Line Company
October, 1999	Affidavit of John C. Klick Concerning Declaratory Order Petition of Colonial Pipeline Company
April 17, 2000	Docket No. OR00-2-000. ExxonMobil Pipeline Company

TRANSPORTATION TESTIMONY

Special Court (Federal) Created Under Sections 303(c) and 306 of the Regional Rail Reorganization Act

January, 1980	Misc. No. 76-1. In the Matter of the Valuation Proceedings.
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United States District Court for the District of New Mexico

September, 1989	Deposition Testimony in Texas Utilities Company and Chaco energy Company v. Santa Fe Industries, Inc., et al., No. Civ-82-1419 C.
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Interstate Commerce Commission

May, 1981	Finance Docket No. 30000. Union Pacific Corporation and Union Pacific Railroad Company -- Control -- Missouri Pacific Corporation and Missouri Pacific Railroad Company.
February 22, 1983	Docket No. 37886S. Potomac Electric Power Co. v. The Baltimore and Ohio Railroad Co. et al.
February 22, 1983	Docket No. 37834S. Ethyl Corporation v. Illinois Central Gulf Railroad, et al.
May, 1983	Docket No. 38182S. Consumers Power Company v. Norfolk & Western Railway Company.
May 31, 1983	Docket No. 38121S. Consumers Power Company v. Norfolk & Western Railway, et al.
January, 1984	Docket No. 36719. Arkansas Power & Light Company, et al. v. Burlington Northern Railroad Company and consolidated proceedings.
November 26, 1984	Docket No. 37857S. Consumers Power Company v. Norfolk and Western Railway Company, et al.
March 8, 1985	Docket No. 36719. Arkansas Power & Light Company, et al v. Burlington Northern Railroad Company and consolidated proceedings.
June, 1985	Docket No. 39668. Arkansas Power & Light et al. v. Burlington Northern Railroad Company.
November, 1985	Docket No. 39082. Arkansas Power & Light Company et al. v. Burlington Northern Railroad Company and Missouri Pacific Railroad Company.
January 9, 1986	Docket No. 36719. Arkansas Power & Light Company, et al. v. Burlington Northern Railroad Company and consolidated proceedings.
February, 1986	Docket No. 39082. Arkansas Power & Light Company, et al. v. Burlington Northern Railroad Company and Missouri Pacific Railroad Company.
June, 1986	Docket No. 36180. San Antonio, Texas, Acting By and Through Its City Public Service Board v. Burlington Northern Railroad Company and Southern Pacific Transportation Company.
November, 1986	Docket No. 37437. Arizona Electric Power Cooperative, Inc. v. The Atchison, Topeka and Santa Fe Railway Company, et al.
March, 1987	Docket No. 37437. Arizona Electric Power Cooperative, Inc. v. The Atchison, Topeka and Santa Fe Railway Company, et al.
May 15, 1987	Docket No. 38301S. Coal Trading Corporation et al. v. The Baltimore and Ohio Railroad Company et al.
August, 1987	Docket No. 37809, 37809 (Sub-No. 1). McCarty Farms, Inc., et al. v. Burlington Northern, Inc. and consolidated proceedings.
October, 1987	Docket No. 37809, 37809 (Sub-No. 1). McCarty Farms, Inc. et al. v. Burlington Northern, Inc. and consolidated proceedings.
December, 1987	Docket No. 38301S (Sub-No. 1). Westmoreland Coal Sales Company v. The Denver & Rio Grande Western Railroad Company, et al.

December, 1987	Docket No. 37038. Bituminous Coal -- Hiawatha, Utah to Moapa, Nevada and consolidated proceedings.
January 14, 1988	Docket No. 38301S. Coal Trading Corporation et al. v. The Baltimore and Ohio Railroad Company et al.
May 12, 1988	Docket No. 37809, 37809 (Sub-No. 1). McCarty Farms, Inc. et al. v. Burlington Northern, Inc. and consolidated proceedings.
June 20, 1988	Docket No. 37038. Bituminous Coal -- Hiawatha, Utah to Moapa, Nevada and consolidated proceedings.
July 5, 1988	Docket No. 37809, 37809 (Sub-No. 1). McCarty Farms, Inc. et al. v. Burlington Northern, Inc. and consolidated proceedings.
April 26, 1989	Docket No. 37809, 37809 (Sub-No. 1). McCarty Farms, Inc. et al. v. Burlington Northern, Inc. and consolidated proceedings.
June 21, 1989	Docket No. 37809, 37809 (Sub-No. 1). McCarty Farms, Inc. et al. v. Burlington Northern, Inc. and consolidated proceedings.
June 21, 1990	Docket No. 40224. Iowa Power and Light Company v. Burlington Northern Railroad Company.
July 30, 1990	Docket No. 37038. Bituminous Coal -- Hiawatha, Utah to Moapa, Nevada and consolidated proceedings.
October 10, 1990	Docket No. 37063, 38025S. The Dayton Power and Light Company v. Louisville and Nashville Railroad Company.
December 14, 1990	Docket No. 37063, 38025S. The Dayton Power and Light Company v. Louisville and Nashville Railroad Company.
January 25, 1991	Docket No. 37063, 38025S. The Dayton Power and Light Company v. Louisville and Nashville Railroad Company.
June 17, 1991	Docket No. 37809, 37809 (Sub-No. 1). McCarty Farms, Inc. et al. v. Burlington Northern, Inc. and consolidated proceedings.
July 15, 1991	Docket No. 37038. Bituminous Coal -- Hiawatha, Utah to Moapa, Nevada and consolidated proceedings.
January 14, 1992	Ex Parte No. 347 (Sub No. 2). Rate Guidelines -- Non-Coal Proceedings.
March 30, 1992	Finance Docket No. 22218. Atchison, Topeka & Santa Fe Railway Company -- Operating Rights -- Southern Pacific Transportation Company.
April 24, 1992	Finance Docket No. 31951. Southern California Regional Rail Authority For an Order Requiring Joint Use of Terminal Facilities of The Atchison, Topeka and Santa Fe Railway Company.
June 15, 1992	Docket No. 40581. Georgia Power Company, Southern Company Services, Inc., Oglethorpe Power Corporation, Municipal Electric Authority of Georgia, and City of Dalton v. Southern Railway Company and Norfolk Southern Corporation.

July 27, 1992	Docket No. 40581. Georgia Power Company, Southern Company Services, Inc., Oglethorpe Power Corporation, Municipal Electric Authority of Georgia, and City of Dalton v. Southern Railway Company and Norfolk Southern Corporation.
November 20, 1992	Docket No. 40581. Georgia Power Company, Southern Company Services, Inc., Oglethorpe Power Corporation, Municipal Electric Authority of Georgia, and City of Dalton v. Southern Railway Company and Norfolk Southern Corporation.
May 7, 1993	Finance Docket No. 21215 (Sub No. 5). Seaboard Air Line Railroad Company -- Merger -- Atlantic Coast Line Railroad Company -- Petition to Remove Traffic Protective Conditions.
March 17, 1994	Ex Parte No. 347 (Sub No. 2). Rate Guidelines -- Non-Coal Proceedings.
May 9, 1994	Finance Docket No. 32467. National Railroad Passenger Corporation and Consolidated Rail Corporation -- Application Under Section 402(a) of the Rail Passenger Service Act for an Order Fixing Just Compensation.
June 10, 1994	Finance Docket No. 21215 (Sub-No. 5). Seaboard Air Line Railroad Company -- Merger -- Atlantic Coast Line Railroad Company -- Petition to Remove Traffic Protective Conditions.
June 27, 1994	Docket No. 40131 (Sub-No. 1). Ashley Creek Phosphate Company v. Chevron Pipe Line Company, et al.; I.C.C. Docket No. 40810 Ashley Creek Phosphate Company v. SF Industries, et al.
October 11, 1994	Finance Docket No. 32549. Burlington Northern, Inc. And Burlington Northern Railroad Company -- Control and Merger -- Santa Fe Pacific Corporation and the Atchison, Topeka and Santa Fe Railway Company.
December 13, 1994	Finance Docket No. 32467 National Railroad Passenger Corporation and Consolidated Rail Corporation -- Application Under Section 402(a) of the Rail Passenger Service Act for an Order Fixing Just Compensation.
January 30, 1995	Finance Docket No. 32433 (Sub-No. 1). Chicago and North Western Transportation Company -- Construction and Operation Exemption -- City of Superior, Wisconsin.
March 9, 1995	Finance Docket No. 32467. National Railroad Passenger Corporation and Consolidated Rail Corporation -- Application Under Section 402(a) of the Rail Passenger Service Act for an Order Fixing Just Compensation.
March 29, 1995	Docket No. 37809, 38709 (Sub-No. 1). McCarty Farms, Inc., et al., and consolidated proceedings.
May 30, 1995	Docket No. 41191. West Texas Utilities Company v. Burlington Northern Railroad Company.
June 20, 1995	Docket No. 40131 (Sub-No. 1). Ashley Creek Phosphate Company v. Chevron Pipeline Company, et al.
July 28, 1995	Finance Docket No. 32467. National Railroad Passenger Corporation and Consolidated Rail Corporation -- Application Under Section 402(a) of the Rail Passenger Service Act For an Order Fixing Just Compensation.
October 30, 1995	Docket No. 41185. Arizona Public Service Company and Pacificorp v. The Atchison, Topeka and Santa Fe Railway Company.

Surface Transportation Board

February 20, 1996	Ex Parte No. 347 (Sub-No. 2). Rate Guidelines -- Non-Coal Proceedings.
March 19, 1996	Ex Parte No. 347 (Sub-No. 2). Rate Guidelines -- Non-Coal Proceedings.
April 1, 1996	Docket No. 32630 (Sub 1). Petition of Omaha Power District Under 49 U.S.C. §10901(d).
April 29, 1996	Finance Docket No. 32760. Union Pacific Corporation, Union Pacific Railroad Company and Missouri Pacific Railroad Company -- Control and Merger -- Southern Pacific Rail Corporation, Southern Pacific Transportation Company, St. Louis Southwestern Railway Company, SPCSL Corp., and The Denver & Rio Grande Western Railroad Company.
May 23, 1996	Docket No. 41191. West Texas Utilities Company v. Burlington Northern Railroad Company -- Petition of Burlington Northern Railroad Company to Reopen Proceeding.
October 15, 1996	Docket No. 41242. Central Power & Light Company v. Southern Pacific Transportation Company; Docket No. 41295 Pennsylvania Power & Light Company v. Consolidated Rail Corporation; Docket No. 41626 MidAmerican Energy Company v. Union Pacific Railroad Company and Chicago & North Western Railway Company.
October 25, 1996	Docket No. 41242. Central Power & Light Company v. Southern Pacific Transportation Company; Docket No. 41295 Pennsylvania Power & Light Company v. Consolidated Rail Corporation; Docket No. 41626 MidAmerican Energy Company v. Union Pacific Railroad Company and Chicago & North Western Railway Company.
June 16, 1997	Finance docket No. 33388. CSX Corp. And CSX Transportation, Inc., Norfolk Southern Corporation and Norfolk Southern Railway Company § Control § Conrail, Inc. and Consolidated Rail Corporation.
July 11, 1997	Docket No. 41989. Potomac Electric Power Company v. CSX Transportation, Inc. Reply Statement and Evidence of Defendant CSX Transportation, Inc.
November 10, 1997	Docket No. 41685. In the Matter of CF Industries, Inc. v. Koch Pipeline Company, L.P.
July, 1998	Finance Docket No. 33556. Canadian National Railway Company, Grand Trunk Corporation, and Grand Trunk Western Railroad Incorporated § Control § Illinois Central Corporation, Chicago, Central & Pacific Railroad Company, and Cedar River Railroad Company. Railroad Control Application.
March 31, 1999	Docket No. 42022. FMC Corporation and FMC Wyoming Corporation v. Union Pacific Railroad Company, Reply Verified Statement.
May 19, 1999	Docket No. 33726. Western Coal Traffic League v. Union Pacific Railroad Company.
August 14, 2000	Docket No. 42051. Wisconsin Power and Light Company v. Union Pacific Railroad Company, Reply Verified Statement.
March 13, 2001	Docket No. 42054. PPL Montana, LLC v. The Burlington Northern Santa Fe Railway Company, Reply Verified Statement of Christopher D. Kent and John C. Klick
May 24, 2002	Docket No. 42069, Duke Energy Corporation v. Norfolk Southern Railway Company, Part II of Opening Evidence and Argument of Norfolk Southern Railway Company

May 24, 2002	Docket No. 42070, Duke Energy Corporation v. CSX Transportation, Inc., Part IV-B and Part IV-E of Opening Evidence and Argument of CSX Transportation, Inc.
June 10, 2002	Docket No. 42072, Carolina Power & Light Company v. Norfolk Southern Railway Company, Part II of Opening Evidence and Argument of Norfolk Southern Railway Company
September 20, 2002	Docket No. 42070, Duke Energy Corporation v. CSX Transportation, Inc., Parts III-G, III-H, and III-I of Reply Evidence and Argument of CSX Transportation, Inc.
September 30, 2002	Docket No. 42069, Duke Energy Corporation v. Norfolk Southern Railway Company, Parts II-A, III-G, III-H, and III-I of Reply Evidence and Argument of Norfolk Southern Railway Company
October 11, 2002	Docket No. 42072, Carolina Power & Light Company v. Norfolk Southern Railway Company, Parts II-A, III-G, III-H, and III-I of Reply Evidence and Argument of Norfolk Southern Railway Company
November 12, 2002	Docket No. 42070, Duke Energy Corporation v. CSX Transportation, Inc., Part II-B of Rebuttal Evidence and Argument of CSX Transportation, Inc.
November 19, 2002	Docket No. 42069, Duke Energy Corporation v. Norfolk Southern Railway Company, Part II of Rebuttal Evidence and Argument of Norfolk Southern Railway Company
November 27, 2002	Docket No. 42072, Carolina Power & Light Company v. Norfolk Southern Railway Company, Part II-A and II-B of Rebuttal Evidence and Argument of Norfolk Southern Railway Company
January 10, 2003	Docket No. 42057, Public Service Company of Colorado D/B/A Xcel Energy v. The Burlington Northern and Santa Fe Railway Company, Part II-A of Opening Evidence and Argument of The Burlington Northern and Santa Fe Railway Company
April 4, 2003	Docket No. 42057, Public Service Company of Colorado D/B/A Xcel Energy v. The Burlington Northern and Santa Fe Railway Company, Part III-A of Reply Evidence and Argument of The Burlington Northern and Santa Fe Railway Company
May 27, 2003	STB Docket No. 42058. Arizona Electric Power Cooperative, Inc. v. The Burlington Northern and Santa Fe Railway Company and Union Pacific Railroad, Reply Evidence of The Burlington Northern and Santa Fe Railway Company
July 7, 2003	STB Docket No. 42054. PPL Montana, LLC v. The Burlington Northern and Santa Fe Railway, Defendant's (BNSF's) Reply Evidence and Argument on Reopening
October 8, 2003	STB Docket No. 42071. Otter Tail Power Company v. The Burlington Northern and Santa Fe Railway Company, Reply Evidence of the Burlington Northern and Santa Fe Railway Company

District Court of Nebraska

September 17, 1992	Civil Action 4:CV91-3095 Burlington Northern Railway Company v. Omaha Public Power District In the District Court for the District of Nebraska
March 29, 1996	Civil Action 4:94cv3182 Burlington Northern Railway Company v. Nebraska Public Power District In the District Court for the District of Nebraska.

April 29, 1996	Civil Action 4:94cv3182 Burlington Northern Railway Company v. Nebraska Public Power District In the District Court for the District of Nebraska.
July 30, 1999	Civil Action 8:97CV00345, Entergy Services, Inc. and Entergy Arkansas, Inc. v. Union Pacific Railroad Company.

102nd Judicial District Court, Bowie County, Texas

1994	Trial Court No. D102CV910720 Burlington Northern Railroad Company v. Southwestern Electric Power Company In the 102 nd Judicial District Court, Bowie County, Texas
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Arbitrations and Mediations

February 16, 1988	Arbitration Proceedings, Phase III. Damages - Escanaba & Lake Superior Railroad Company v. Soo Line Railroad Company.
June 23, 1988	Arbitration Proceedings, Phase III -- Damages - Escanaba & Lake Superior Railroad Company v. Soo Line Railroad Company.
August 15, 1988	Arbitration Proceedings, Phase III -- Damages - Escanaba & Lake Superior Railroad Company v. Soo Line Railroad Company.
January 24, 1992	In the Matter of the Arbitration Between Tuco Inc., Burlington Northern Railroad Company and The Atchison, Topeka and Santa Fe Railroad Company.
February 21, 1992	In the Matter of the Arbitration Between Tuco, Inc. and Burlington Northern Railroad Company and Atchison, Topeka & Santa Fe Railroad Company.
March 24, 1992	In the Matter of the Arbitration Between Tuco, Inc., Burlington Northern Railroad Company and Atchison, Topeka & Santa Fe Railroad Company.
July 20, 1992	In the Matter of the Arbitration Between Wisconsin Power & Light Company and Burlington Northern Railroad Company, et. al.
September 4, 1992	In the Matter of the Arbitration Between Wisconsin Power & Light Company and Burlington Northern Railroad Company, et. al.
October 4, 1993	In the Matter of the Arbitration Between Public Service Company of Oklahoma and Burlington Northern Railroad Company.
February 21, 1994	In the Matter of the Arbitration Between Public Service Company of Oklahoma and Burlington Northern Railroad Company.
May 3, 1999	Elisra Electronics Systems, Ltd. V. Qualcomm, Inc., Before the American Arbitration Association No. 50 T 181 00005 98.
September 23, 1999	Statistical Analysis of Cap Gemini Report for Lee & Allen, Inc., submitted in UGI/Transco Mediation (London, England)
September, 1999 To Present	Party-appointed Arbitrator in MCI Worldcom, Inc. and AT&T Corp., v. Bell Atlantic Corporation, an arbitration conducted under the rules of the CPR Institute for Dispute Resolution.
October, 2000	Party-appointed Arbitrator in Competitive Local Exchange Carriers v. SBC

To Present

Communications, Inc., an arbitration conducted under the rules of the CPR Institute for Dispute Resolution.

**COMPARISON OF BELL SOUTH CEA NPV TO AT&T CEA NPV
FOR ULTIMATE MARKET SHARE SET AT 5 PERCENT**

UneZone	CEA	BellSouth Opening		AT&T Rebuttal		Percent Change	
		Mass Market NPV	Total NPV	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV
Zone1	Anniston AL	\$862,929	\$1,416,326	\$136,972	\$212,379	-84.1%	-85.0%
Zone2	Anniston AL	\$1,293,062	\$1,876,113	\$3,549	\$8,321	-99.7%	-99.6%
Zone3	Anniston AL	N/A	N/A	N/A	N/A	N/A	N/A
Zone3	Atlanta GA-AL-NC	\$187,967	\$161,815	N/A	N/A	N/A	N/A
Zone1	Birmingham AL	\$19,305,888	\$30,921,886	\$2,835,962	\$4,766,788	-85.3%	-84.6%
Zone2	Birmingham AL	\$3,120,440	\$4,142,865	\$163,192	\$157,502	-94.8%	-96.2%
Zone3	Birmingham AL	N/A	N/A	N/A	N/A	N/A	N/A
Zone1	Columbus GA-AL	\$1,075,712	\$1,468,461	\$118,030	\$130,573	-89.0%	-91.1%
Zone2	Columbus GA-AL	\$1,498,780	\$2,062,394	N/A	N/A	N/A	N/A
Zone3	Columbus GA-AL	N/A	N/A	N/A	N/A	N/A	N/A
Zone1	Decatur AL	\$1,929,370	\$3,201,571	\$126,424	\$283,278	-93.4%	-91.2%
Zone2	Decatur AL	\$348,725	\$433,682	\$7,752	(\$422)	-97.8%	-100.1%
Zone3	Decatur AL	N/A	N/A	N/A	N/A	N/A	N/A
Zone2	Dothan AL-FL-GA	\$386,197	\$503,078	(\$6,824)	(\$32,043)	-101.8%	-106.4%
Zone3	Dothan AL-FL-GA	N/A	N/A	N/A	N/A	N/A	N/A
Zone1	Florence AL	\$964,312	\$1,477,891	\$113,151	\$151,845	-88.3%	-89.7%
Zone2	Florence AL	\$705,465	\$1,107,354	\$39,500	\$37,024	-94.4%	-96.7%
Zone3	Florence AL	\$405,002	\$323,290	N/A	N/A	N/A	N/A
Zone1	Gadsden AL	\$859,211	\$1,434,675	\$137,028	\$214,699	-84.1%	-85.0%
Zone2	Gadsden AL	\$802,957	\$933,274	\$42,434	\$10,955	-94.7%	-98.8%
Zone1	Huntsville AL-TN	\$3,992,521	\$6,033,713	\$225,006	\$229,064	-94.4%	-96.2%
Zone2	Huntsville AL-TN	\$2,378,385	\$3,380,882	\$157,659	\$179,881	-93.4%	-94.7%
Zone3	Huntsville AL-TN	N/A	N/A	N/A	N/A	N/A	N/A
Zone2	Meridian MS-AL	\$90,521	\$121,705	N/A	N/A	N/A	N/A
Zone3	Meridian MS-AL	N/A	N/A	N/A	N/A	N/A	N/A
Zone1	Mobile AL	\$8,155,308	\$13,067,774	\$798,805	\$1,126,959	-90.2%	-91.4%
Zone2	Mobile AL	\$1,099,436	\$1,383,236	(\$49,035)	(\$95,535)	-104.5%	-106.9%
Zone3	Mobile AL	\$449,785	\$449,785	N/A	N/A	N/A	N/A
Zone1	Montgomery AL	\$4,823,916	\$8,213,076	\$344,771	\$706,765	-92.9%	-91.4%
Zone2	Montgomery AL	\$2,249,695	\$3,171,862	\$78,350	\$64,440	-96.5%	-98.0%
Zone3	Montgomery AL	(\$13,021)	(\$13,021)	N/A	N/A	N/A	N/A
Zone1	Tuscaloosa AL	\$2,084,060	\$3,317,208	\$297,279	\$508,587	-85.7%	-84.7%
Zone2	Tuscaloosa AL	\$660,922	\$985,729	\$89,150	\$123,371	-86.5%	-87.5%
Zone3	Tuscaloosa AL	\$78,377	\$72,238	N/A	N/A	N/A	N/A
Total		\$59,795,919	\$91,648,862	\$5,659,154	\$8,784,430	-90.5%	-90.4%

**COMPARISON OF BELL SOUTH WIRE CENTER NPV TO AT&T WIRE CENTER NPV
 FOR ULTIMATE MARKET SHARE SET AT 5 PERCENT**

Wire Center	BellSouth Opening		AT&T Rebuttal		Percent Change	
	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV
ALBSALMA	\$1,538,130	\$2,073,516	\$204,977	\$287,847	-86.7%	-86.1%
ALCYALMT	\$370,682	\$551,446	N/A	N/A	N/A	N/A
ALVLALMA	\$556,513	\$770,077	\$59,467	\$69,635	-89.3%	-91.0%
ANTNALLE	\$97,671	\$154,799	(\$25,336)	(\$29,286)	-125.9%	-118.9%
ANTNALMT	\$862,929	\$1,416,326	\$136,972	\$212,379	-84.1%	-85.0%
ANTNALOX	\$497,965	\$696,827	\$48,972	\$52,289	-90.2%	-92.5%
ATHNALER	N/A	N/A	N/A	N/A	N/A	N/A
ATHNALMA	\$853,067	\$1,212,879	\$91,099	\$117,986	-89.3%	-90.3%
ATTLALNM	\$213,315	\$239,777	\$13,862	\$4,888	-93.5%	-98.0%
AUBNALMA	\$1,075,712	\$1,468,461	\$118,030	\$130,573	-89.0%	-91.1%
BLFNALMA	\$20,276	\$18,901	(\$40,762)	(\$48,211)	-301.0%	-355.1%
BOAZALMA	\$280,916	\$358,884	\$11,681	\$2,724	-95.8%	-99.2%
BRHMALCH	\$856,905	\$1,433,575	\$158,331	\$254,673	-81.5%	-82.2%
BRHMALCP	\$1,400,942	\$1,721,570	\$163,979	\$215,856	-88.3%	-87.5%
BRHMALEL	\$810,506	\$1,053,145	\$144,522	\$175,304	-82.2%	-83.4%
BRHMALEN	\$1,349,058	\$1,610,053	\$169,888	\$208,626	-87.4%	-87.0%
BRHMALEW	\$496,166	\$721,651	\$83,319	\$110,244	-83.2%	-84.7%
BRHMALFO	\$566,595	\$681,074	\$97,099	\$110,695	-82.9%	-83.7%
BRHMALFS	\$283,886	\$837,990	\$50,259	\$138,201	-82.3%	-83.5%
BRHMALHW	\$1,144,633	\$2,011,810	\$135,520	\$273,319	-88.2%	-86.4%
BRHMALMT	\$1,580,932	\$4,317,283	\$247,336	\$758,156	-84.4%	-82.4%
BRHMALOM	\$1,405,767	\$2,164,493	\$165,268	\$299,294	-88.2%	-86.2%
BRHMALOX	\$598,080	\$1,518,028	\$113,549	\$267,136	-81.0%	-82.4%
BRHMALRC	\$1,343,672	\$2,519,037	\$166,277	\$371,857	-87.6%	-85.2%
BRHMALTA	\$576,988	\$806,820	\$100,292	\$131,727	-82.6%	-83.7%
BRHMALVA	\$1,567,814	\$2,231,764	\$208,490	\$316,886	-86.7%	-85.8%
BRHMALWE	\$966,700	\$1,098,873	\$178,303	\$193,383	-81.6%	-82.4%
BRHMALWL	\$720,700	\$1,233,494	\$133,998	\$212,876	-81.4%	-82.7%
BRPTALMA	N/A	N/A	N/A	N/A	N/A	N/A
BRTALMA	\$207,304	\$329,432	(\$18,142)	(\$32,898)	-108.8%	-110.0%
BSMRALBP	N/A	N/A	N/A	N/A	N/A	N/A
BSMRALBU	\$33,422	\$20,582	N/A	N/A	N/A	N/A
BSMRALHT	\$450,393	\$538,480	\$44,967	\$47,093	-90.0%	-91.3%
BSMRALMA	\$1,617,209	\$2,326,719	\$237,838	\$362,740	-85.3%	-84.4%
BYMNALMA	\$430,346	\$430,346	N/A	N/A	N/A	N/A
CALRALMA	\$103,534	\$156,541	(\$10,878)	(\$13,776)	-110.5%	-108.8%
CHBGALMA	\$91,625	\$96,769	(\$15,330)	(\$24,686)	-116.7%	-125.5%
CHLSALMA	N/A	N/A	N/A	N/A	N/A	N/A
CLANALMA	N/A	N/A	N/A	N/A	N/A	N/A
CLMBALMA	\$180,595	\$282,988	\$9,654	\$16,764	-94.7%	-94.1%
CLMNALFA	N/A	N/A	N/A	N/A	N/A	N/A
CLMNALJC	N/A	N/A	N/A	N/A	N/A	N/A
CLMNALMA	\$589,697	\$992,143	\$23,652	\$23,325	-96.0%	-97.6%
CNVIALMA	N/A	N/A	N/A	N/A	N/A	N/A
CRDVALMA	\$66,838	\$63,384	(\$25,188)	(\$32,691)	-137.7%	-151.6%
CRHLALNM	N/A	N/A	N/A	N/A	N/A	N/A
CRLDALMA	N/A	N/A	N/A	N/A	N/A	N/A
CTRNALNM	\$29,077	\$29,077	N/A	N/A	N/A	N/A

**COMPARISON OF BELL SOUTH WIRE CENTER NPV TO AT&T WIRE CENTER NPV
 FOR ULTIMATE MARKET SHARE SET AT 5 PERCENT**

Wire Center	BellSouth Opening		AT&T Rebuttal		Percent Change	
	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV
CYTNALMA	N/A	N/A	N/A	N/A	N/A	N/A
DCTRALMT	\$1,929,370	\$3,201,571	\$126,424	\$283,278	-93.4%	-91.2%
DDVLALMA	N/A	N/A	N/A	N/A	N/A	N/A
DMPLALMA	\$90,521	\$121,705	N/A	N/A	N/A	N/A
DORALMA	\$98,610	\$111,267	(\$16,519)	(\$23,982)	-116.8%	-121.6%
EUFLALMA	\$386,197	\$503,078	(\$6,824)	(\$32,043)	-101.8%	-106.4%
EUTWALBO	N/A	N/A	N/A	N/A	N/A	N/A
EUTWALMA	N/A	N/A	N/A	N/A	N/A	N/A
EVRGALMA	\$7,252	\$7,252	N/A	N/A	N/A	N/A
FLRNALMA	\$705,465	\$1,107,354	\$39,500	\$37,024	-94.4%	-96.7%
FMTNALMT	(\$102,601)	(\$102,601)	N/A	N/A	N/A	N/A
FRHPALMA	\$672,539	\$865,307	\$66,195	\$64,727	-90.2%	-92.5%
FTDPALMA	(\$87,105)	(\$87,105)	N/A	N/A	N/A	N/A
FTPYALMA	\$338,819	\$490,929	\$24,949	\$17,707	-92.6%	-96.4%
GDSDALHS	\$242,725	\$287,135	(\$158)	(\$8,558)	-100.1%	-103.0%
GDSDALMT	\$859,211	\$1,434,675	\$137,028	\$214,699	-84.1%	-85.0%
GDSDALRD	\$346,917	\$406,362	\$28,731	\$14,625	-91.7%	-96.4%
GDWRALMA	N/A	N/A	N/A	N/A	N/A	N/A
GNBOALMA	\$65,315	\$87,039	N/A	N/A	N/A	N/A
GRDLALNM	\$481,203	\$560,990	\$76,718	\$77,968	-84.1%	-86.1%
GRLYALMA	N/A	N/A	N/A	N/A	N/A	N/A
GTVLALNM	\$125,626	\$314,811	(\$16,090)	(\$5,910)	-112.8%	-101.9%
GYVLALNM	\$82,560	\$90,679	(\$18,790)	(\$25,387)	-122.8%	-128.0%
HLVIALMA	\$28,322	\$28,322	N/A	N/A	N/A	N/A
HNVIALW	\$1,291,544	\$1,499,327	\$201,193	\$219,114	-84.4%	-85.4%
HNVIALMT	\$1,490,983	\$2,531,971	\$87,743	\$209,006	-94.1%	-91.7%
HNVIALPW	\$1,380,940	\$1,854,054	\$215,839	\$258,845	-84.4%	-86.0%
HNVIALRA	\$481	\$61,181	\$100	\$7,487	-79.2%	-87.8%
HNVIALRW	\$52,565	\$200,437	(\$11,780)	(\$17,002)	-122.4%	-108.5%
HNVIALSD	N/A	N/A	N/A	N/A	N/A	N/A
HNVIALUN	\$1,209,975	\$2,090,783	\$197,855	\$307,292	-83.6%	-85.3%
HNVLALBR	N/A	N/A	N/A	N/A	N/A	N/A
HNVLALNM	N/A	N/A	N/A	N/A	N/A	N/A
HRBOALOM	N/A	N/A	N/A	N/A	N/A	N/A
HRTSALNM	\$348,725	\$433,682	\$7,752	(\$422)	-97.8%	-100.1%
HRTSALPE	N/A	N/A	N/A	N/A	N/A	N/A
HZGRALMA	\$223,444	\$233,301	(\$13,447)	(\$22,263)	-106.0%	-109.5%
JCSNALNM	\$122,785	\$122,785	N/A	N/A	N/A	N/A
JCVLALMA	\$178,056	\$194,504	(\$12,638)	(\$25,039)	-107.1%	-112.9%
JSPRALMT	\$585,330	\$831,032	\$71,610	\$89,650	-87.8%	-89.2%
KLLNALMA	\$62,001	\$22,445	N/A	N/A	N/A	N/A
LFYTALRS	\$80,188	\$75,932	N/A	N/A	N/A	N/A
LGTNALMA	(\$117,846)	(\$138,462)	N/A	N/A	N/A	N/A
LNDNALMA	N/A	N/A	N/A	N/A	N/A	N/A
LVTNALLA	N/A	N/A	N/A	N/A	N/A	N/A
LXTNALMA	(\$14,553)	(\$27,848)	N/A	N/A	N/A	N/A
MARNALNM	\$76,309	\$76,309	N/A	N/A	N/A	N/A
MCINALMA	(\$66,218)	(\$66,218)	N/A	N/A	N/A	N/A

**COMPARISON OF BELL SOUTH WIRE CENTER NPV TO AT&T WIRE CENTER NPV
 FOR ULTIMATE MARKET SHARE SET AT 5 PERCENT**

Wire Center	BellSouth Opening		AT&T Rebuttal		Percent Change	
	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV
MDSNALNM	(\$1,433,967)	(\$2,204,039)	(\$465,943)	(\$755,678)	-67.5%	-65.7%
MDSNALOM	N/A	N/A	N/A	N/A	N/A	N/A
MNFDALMA	\$21,854	\$9,404	(\$35,580)	(\$46,078)	-262.8%	-590.0%
MNTVALNM	\$90,745	\$129,810	(\$15,251)	(\$17,646)	-116.8%	-113.6%
MOBLALAP	\$903,546	\$1,140,536	\$111,235	\$107,659	-87.7%	-90.6%
MOBLALAZ	\$602,383	\$1,589,298	\$88,707	\$185,484	-85.3%	-88.3%
MOBLALBF	\$42,526	\$77,757	(\$24,187)	(\$41,826)	-156.9%	-153.8%
MOBLALOS	\$1,559,503	\$2,546,611	(\$4,318)	\$82,515	-100.3%	-96.8%
MOBLALPR	\$959,748	\$1,136,390	\$121,674	\$126,401	-87.3%	-88.9%
MOBLALSA	\$436,307	\$576,790	\$12,174	(\$655)	-97.2%	-100.1%
MOBLALSE	\$435,548	\$458,113	(\$2,304)	(\$13,771)	-100.5%	-103.0%
MOBLALSF	\$791,727	\$1,093,992	\$99,676	\$105,738	-87.4%	-90.3%
MOBLALSH	\$1,296,285	\$2,076,505	\$185,660	\$236,150	-85.7%	-88.6%
MOBLALSK	\$1,050,571	\$2,172,171	\$138,595	\$252,535	-86.8%	-88.4%
MOBLALTH	\$276,479	\$369,206	\$15,568	\$7,576	-94.4%	-97.9%
MOLTALNM	N/A	N/A	N/A	N/A	N/A	N/A
MPVLALMA	N/A	N/A	N/A	N/A	N/A	N/A
MTGMALDA	\$2,162,656	\$3,630,877	\$109,890	\$259,913	-94.9%	-92.8%
MTGMALMB	\$226,711	\$257,046	(\$4,695)	(\$15,815)	-102.1%	-106.2%
MTGMALMT	\$1,387,511	\$2,798,337	\$61,373	\$228,163	-95.6%	-91.8%
MTGMALNO	\$1,273,749	\$1,783,862	\$173,508	\$218,689	-86.4%	-87.7%
MTVRALMA	(\$15,203)	(\$15,203)	N/A	N/A	N/A	N/A
OHTCALMA	N/A	N/A	N/A	N/A	N/A	N/A
OPLKALMT	\$653,638	\$946,229	N/A	N/A	N/A	N/A
PDMTALMA	\$107,779	\$85,883	N/A	N/A	N/A	N/A
PHCYALFM	N/A	N/A	N/A	N/A	N/A	N/A
PHCYALMA	N/A	N/A	N/A	N/A	N/A	N/A
PNSNALMA	\$536,019	\$597,146	\$65,487	\$66,248	-87.8%	-88.9%
PRSHALNM	N/A	N/A	N/A	N/A	N/A	N/A
PRVLALMA	\$600,622	\$842,157	\$53,039	\$61,919	-91.2%	-92.6%
RDBAALMA	\$56,066	\$25,228	N/A	N/A	N/A	N/A
RLVLALMA	\$333,447	\$375,337	N/A	N/A	N/A	N/A
RRVLALMA	\$85,886	\$66,590	N/A	N/A	N/A	N/A
SELMALMT	\$714,507	\$1,092,204	\$20,578	\$22,180	-97.1%	-98.0%
SHFDALMT	\$964,312	\$1,477,891	\$113,151	\$151,845	-88.3%	-89.7%
STSNALMA	N/A	N/A	N/A	N/A	N/A	N/A
SYLCALMT	\$474,460	\$564,719	N/A	N/A	N/A	N/A
THVLALMA	\$44,346	\$44,346	N/A	N/A	N/A	N/A
TLDGALMA	\$405,892	\$723,810	\$43,461	\$81,121	-89.3%	-88.8%
TLDGALRF	N/A	N/A	N/A	N/A	N/A	N/A
TROYALMA	\$327,908	\$448,506	(\$6,894)	(\$24,909)	-102.1%	-105.6%
TSCLALDH	\$660,922	\$985,729	\$89,150	\$123,371	-86.5%	-87.5%
TSCLALMT	\$2,084,060	\$3,317,208	\$297,279	\$508,587	-85.7%	-84.7%
TSCLALNO	(\$20,360)	(\$35,383)	N/A	N/A	N/A	N/A
TSKGALMA	N/A	N/A	N/A	N/A	N/A	N/A
TWCKALMA	N/A	N/A	N/A	N/A	N/A	N/A
UNTWALNM	(\$30,548)	(\$30,548)	N/A	N/A	N/A	N/A
VNCNALMA	N/A	N/A	N/A	N/A	N/A	N/A

**COMPARISON OF BELL SOUTH WIRE CENTER NPV TO AT&T WIRE CENTER NPV
 FOR ULTIMATE MARKET SHARE SET AT 5 PERCENT**

<u>Wire Center</u>	<u>BellSouth Opening</u>		<u>AT&T Rebuttal</u>		<u>Percent Change</u>	
	<u>Mass</u> <u>Market NPV</u>	<u>Total</u> <u>NPV</u>	<u>Mass</u> <u>Market NPV</u>	<u>Total</u> <u>NPV</u>	<u>Mass</u> <u>Market NPV</u>	<u>Total</u> <u>NPV</u>
WBTNALNM	N/A	N/A	N/A	N/A	N/A	N/A
WRRRALNM	\$336,119	\$349,395	\$34,448	\$27,901	-89.8%	-92.0%
WTMPALMA	\$379,947	\$531,950	\$16,323	\$21,065	-95.7%	-96.0%
YORKALMA	N/A	N/A	N/A	N/A	N/A	N/A
	\$59,795,919	\$91,648,862	\$5,659,154	\$8,784,430	-90.5%	-90.4%

**COMPARISON OF BELL SOUTH CEA NPV TO AT&T CEA NPV
FOR STRAIGHTLINE PENETRATION FOR RESIDENTIAL CUSTOMERS**

UneZone	CEA	BellSouth Opening		AT&T Rebuttal		Percent Change	
		Mass Market NPV	Total NPV	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV
Zone1	Anniston AL	\$862,929	\$1,416,326	\$521,565	\$1,005,852	-39.6%	-29.0%
Zone2	Anniston AL	\$1,293,062	\$1,876,113	\$640,917	\$1,091,182	-50.4%	-41.8%
Zone3	Anniston AL	N/A	N/A	N/A	N/A	N/A	N/A
Zone3	Atlanta GA-AL-NC	\$187,967	\$161,815	\$70,885	\$27,585	-62.3%	-83.0%
Zone1	Birmingham AL	\$19,305,888	\$30,921,886	\$11,497,144	\$21,755,438	-40.4%	-29.6%
Zone2	Birmingham AL	\$3,120,440	\$4,142,865	\$1,630,215	\$2,434,479	-47.8%	-41.2%
Zone3	Birmingham AL	N/A	N/A	N/A	N/A	N/A	N/A
Zone1	Columbus GA-AL	\$1,075,712	\$1,468,461	\$538,656	\$849,978	-49.9%	-42.1%
Zone2	Columbus GA-AL	\$1,498,780	\$2,062,394	\$774,699	\$1,203,771	-48.3%	-41.6%
Zone3	Columbus GA-AL	N/A	N/A	N/A	N/A	N/A	N/A
Zone1	Decatur AL	\$1,929,370	\$3,201,571	\$1,137,474	\$2,228,862	-41.0%	-30.4%
Zone2	Decatur AL	\$348,725	\$433,682	\$172,548	\$229,728	-50.5%	-47.0%
Zone3	Decatur AL	N/A	N/A	N/A	N/A	N/A	N/A
Zone2	Dothan AL-FL-GA	\$386,197	\$503,078	\$178,690	\$251,086	-53.7%	-50.1%
Zone3	Dothan AL-FL-GA	N/A	N/A	N/A	N/A	N/A	N/A
Zone1	Florence AL	\$964,312	\$1,477,891	\$567,858	\$994,416	-41.1%	-32.7%
Zone2	Florence AL	\$705,465	\$1,107,354	\$390,208	\$707,712	-44.7%	-36.1%
Zone3	Florence AL	\$405,002	\$323,290	\$53,424	(\$75,270)	-86.8%	-123.3%
Zone1	Gadsden AL	\$859,211	\$1,434,675	\$525,212	\$1,025,809	-38.9%	-28.5%
Zone2	Gadsden AL	\$802,957	\$933,274	\$392,516	\$467,841	-51.1%	-49.9%
Zone1	Huntsville AL-TN	\$3,992,521	\$6,033,713	\$2,236,865	\$3,848,290	-44.0%	-36.2%
Zone2	Huntsville AL-TN	\$2,378,385	\$3,380,882	\$1,274,095	\$2,057,694	-46.4%	-39.1%
Zone3	Huntsville AL-TN	N/A	N/A	N/A	N/A	N/A	N/A
Zone2	Meridian MS-AL	\$90,521	\$121,705	\$30,286	\$34,482	-66.5%	-71.7%
Zone3	Meridian MS-AL	N/A	N/A	N/A	N/A	N/A	N/A
Zone1	Mobile AL	\$8,155,308	\$13,067,774	\$4,250,682	\$8,239,777	-47.9%	-36.9%
Zone2	Mobile AL	\$1,099,436	\$1,383,236	\$422,648	\$603,672	-61.6%	-56.4%
Zone3	Mobile AL	\$449,785	\$449,785	(\$40,708)	(\$40,708)	-109.1%	-109.1%
Zone1	Montgomery AL	\$4,823,916	\$8,213,076	\$2,640,351	\$5,478,654	-45.3%	-33.3%
Zone2	Montgomery AL	\$2,249,695	\$3,171,862	\$1,014,520	\$1,705,458	-54.9%	-46.2%
Zone3	Montgomery AL	(\$13,021)	(\$13,021)	N/A	N/A	N/A	N/A
Zone1	Tuscaloosa AL	\$2,084,060	\$3,317,208	\$1,271,414	\$2,355,754	-39.0%	-29.0%
Zone2	Tuscaloosa AL	\$660,922	\$985,729	\$356,111	\$629,790	-46.1%	-36.1%
Zone3	Tuscaloosa AL	\$78,377	\$72,238	(\$25,994)	(\$71,408)	-133.2%	-198.9%
Total		\$59,795,919	\$91,648,862	\$32,522,282	\$59,039,923	-45.6%	-35.6%

**COMPARISON OF BELL SOUTH WIRE CENTER NPV TO AT&T WIRE CENTER NPV
 FOR STRAIGHTLINE PENETRATION FOR RESIDENTIAL CUSTOMERS**

Wire Center	BellSouth Opening		AT&T Rebuttal		Percent Change	
	<u>Mass</u> <u>Market NPV</u>	<u>Total</u> <u>NPV</u>	<u>Mass</u> <u>Market NPV</u>	<u>Total</u> <u>NPV</u>	<u>Mass</u> <u>Market NPV</u>	<u>Total</u> <u>NPV</u>
ALBSALMA	\$1,538,130	\$2,073,516	\$937,842	\$1,406,238	-39.0%	-32.2%
ALCYALMT	\$370,682	\$551,446	\$203,403	\$349,386	-45.1%	-36.6%
ALVLALMA	\$556,513	\$770,077	\$318,477	\$488,251	-42.8%	-36.6%
ANTNALLE	\$97,671	\$154,799	\$21,457	\$63,200	-78.0%	-59.2%
ANTNALMT	\$862,929	\$1,416,326	\$521,565	\$1,005,852	-39.6%	-29.0%
ANTNALOX	\$497,965	\$696,827	\$289,541	\$442,026	-41.9%	-36.6%
ATHNALER	N/A	N/A	N/A	N/A	N/A	N/A
ATHNALMA	\$853,067	\$1,212,879	\$457,459	\$756,350	-46.4%	-37.6%
ATTLALNM	\$213,315	\$239,777	\$114,407	\$131,487	-46.4%	-45.2%
AUBNALMA	\$1,075,712	\$1,468,461	\$538,656	\$849,978	-49.9%	-42.1%
BLFNALMA	\$20,276	\$18,901	(\$17,910)	(\$23,068)	-188.3%	-222.0%
BOAZALMA	\$280,916	\$358,884	\$150,228	\$203,946	-46.5%	-43.2%
BRHMALCH	\$856,905	\$1,433,575	\$488,536	\$999,475	-43.0%	-30.3%
BRHMALCP	\$1,400,942	\$1,721,570	\$787,004	\$1,067,075	-43.8%	-38.0%
BRHMALEL	\$810,506	\$1,053,145	\$469,761	\$678,189	-42.0%	-35.6%
BRHMALEN	\$1,349,058	\$1,610,053	\$787,620	\$1,013,675	-41.6%	-37.0%
BRHMALEW	\$496,166	\$721,651	\$275,798	\$465,623	-44.4%	-35.5%
BRHMALFO	\$566,595	\$681,074	\$293,057	\$389,847	-48.3%	-42.8%
BRHMALFS	\$283,886	\$837,990	\$191,037	\$676,969	-32.7%	-19.2%
BRHMALHW	\$1,144,633	\$2,011,810	\$743,966	\$1,510,370	-35.0%	-24.9%
BRHMALMT	\$1,580,932	\$4,317,283	\$1,055,002	\$3,514,933	-33.3%	-18.6%
BRHMALOM	\$1,405,767	\$2,164,493	\$822,765	\$1,495,476	-41.5%	-30.9%
BRHMALOX	\$598,080	\$1,518,028	\$382,116	\$1,204,401	-36.1%	-20.7%
BRHMALRC	\$1,343,672	\$2,519,037	\$813,653	\$1,855,306	-39.4%	-26.3%
BRHMALTA	\$576,988	\$806,820	\$321,339	\$518,207	-44.3%	-35.8%
BRHMALVA	\$1,567,814	\$2,231,764	\$944,395	\$1,526,717	-39.8%	-31.6%
BRHMALWE	\$966,700	\$1,098,873	\$524,252	\$637,270	-45.8%	-42.0%
BRHMALWL	\$720,700	\$1,233,494	\$432,103	\$880,322	-40.0%	-28.6%
BRPTALMA	N/A	N/A	N/A	N/A	N/A	N/A
BRTALMA	\$207,304	\$329,432	\$89,453	\$171,955	-56.8%	-47.8%
BSMRALBP	N/A	N/A	N/A	N/A	N/A	N/A
BSMRALBU	\$33,422	\$20,582	\$587	(\$14,886)	-98.2%	-172.3%
BSMRALHT	\$450,393	\$538,480	\$236,021	\$306,531	-47.6%	-43.1%
BSMRALMA	\$1,617,209	\$2,326,719	\$967,048	\$1,596,817	-40.2%	-31.4%
BYMNALMA	\$430,346	\$430,346	\$191,851	\$191,851	-55.4%	-55.4%
CALRALMA	\$103,534	\$156,541	\$51,740	\$91,665	-50.0%	-41.4%
CHBGALMA	\$91,625	\$96,769	\$46,150	\$45,508	-49.6%	-53.0%
CHLSALMA	N/A	N/A	N/A	N/A	N/A	N/A
CLANALMA	N/A	N/A	N/A	N/A	N/A	N/A
CLMBALMA	\$180,595	\$282,988	\$95,139	\$179,218	-47.3%	-36.7%
CLMNALFA	N/A	N/A	N/A	N/A	N/A	N/A
CLMNALJC	N/A	N/A	N/A	N/A	N/A	N/A
CLMNALMA	\$589,697	\$992,143	\$331,426	\$648,589	-43.8%	-34.6%
CNVIALMA	N/A	N/A	N/A	N/A	N/A	N/A
CRDVALMA	\$66,838	\$63,384	\$15,128	\$9,149	-77.4%	-85.6%
CRHLALNM	N/A	N/A	N/A	N/A	N/A	N/A
CRLDALMA	N/A	N/A	N/A	N/A	N/A	N/A
CTRNALNM	\$29,077	\$29,077	(\$16,784)	(\$16,784)	-157.7%	-157.7%
CYTNALMA	N/A	N/A	N/A	N/A	N/A	N/A

**COMPARISON OF BELL SOUTH WIRE CENTER NPV TO AT&T WIRE CENTER NPV
 FOR STRAIGHTLINE PENETRATION FOR RESIDENTIAL CUSTOMERS**

Wire Center	BellSouth Opening		AT&T Rebuttal		Percent Change	
	<u>Mass</u> Market NPV	<u>Total</u> NPV	<u>Mass</u> Market NPV	<u>Total</u> NPV	<u>Mass</u> Market NPV	<u>Total</u> NPV
DCTRALMT	\$1,929,370	\$3,201,571	\$1,137,474	\$2,228,862	-41.0%	-30.4%
DDVLALMA	N/A	N/A	N/A	N/A	N/A	N/A
DMPLALMA	\$90,521	\$121,705	\$30,286	\$34,482	-66.5%	-71.7%
DORAALMA	\$98,610	\$111,267	\$37,816	\$43,739	-61.7%	-60.7%
EUFLALMA	\$386,197	\$503,078	\$178,690	\$251,086	-53.7%	-50.1%
EUTWALBO	N/A	N/A	N/A	N/A	N/A	N/A
EUTWALMA	N/A	N/A	N/A	N/A	N/A	N/A
EVRGALMA	\$7,252	\$7,252	(\$31,132)	(\$31,132)	-529.3%	-529.3%
FLRNALMA	\$705,465	\$1,107,354	\$390,208	\$707,712	-44.7%	-36.1%
FMTNALMT	(\$102,601)	(\$102,601)	(\$95,962)	(\$95,962)	-6.5%	-6.5%
FRHPALMA	\$672,539	\$865,307	\$334,338	\$480,299	-50.3%	-44.5%
FTDPALMA	(\$87,105)	(\$87,105)	N/A	N/A	N/A	N/A
FTPYALMA	\$338,819	\$490,929	\$187,505	\$295,647	-44.7%	-39.8%
GDSDALHS	\$242,725	\$287,135	\$96,794	\$125,239	-60.1%	-56.4%
GDSDALMT	\$859,211	\$1,434,675	\$525,212	\$1,025,809	-38.9%	-28.5%
GDSDALRD	\$346,917	\$406,362	\$181,315	\$211,116	-47.7%	-48.0%
GDWRALMA	N/A	N/A	N/A	N/A	N/A	N/A
GNBOALMA	\$65,315	\$87,039	\$12,217	\$17,254	-81.3%	-80.2%
GRDLALNM	\$481,203	\$560,990	\$259,849	\$318,528	-46.0%	-43.2%
GRLYALMA	N/A	N/A	N/A	N/A	N/A	N/A
GTVLALNM	\$125,626	\$314,811	\$66,010	\$216,182	-47.5%	-31.3%
GYVLALNM	\$82,560	\$90,679	\$32,429	\$35,071	-60.7%	-61.3%
HLVIALMA	\$28,322	\$28,322	N/A	N/A	N/A	N/A
HNVIALLW	\$1,291,544	\$1,499,327	\$701,376	\$875,935	-45.7%	-41.6%
HNVIALMT	\$1,490,983	\$2,531,971	\$944,024	\$1,838,030	-36.7%	-27.4%
HNVIALPW	\$1,380,940	\$1,854,054	\$790,066	\$1,189,742	-42.8%	-35.8%
HNVIALRA	\$481	\$61,181	\$425	\$54,387	-11.7%	-11.1%
HNVIALRW	\$52,565	\$200,437	\$30,078	\$147,069	-42.8%	-26.6%
HNVIALSD	N/A	N/A	N/A	N/A	N/A	N/A
HNVIALUN	\$1,209,975	\$2,090,783	\$710,237	\$1,472,381	-41.3%	-29.6%
HNVIALBR	N/A	N/A	N/A	N/A	N/A	N/A
HNVIALNM	N/A	N/A	N/A	N/A	N/A	N/A
HRBOALOM	N/A	N/A	N/A	N/A	N/A	N/A
HRTSALNM	\$348,725	\$433,682	\$172,548	\$229,728	-50.5%	-47.0%
HRTSALPE	N/A	N/A	N/A	N/A	N/A	N/A
HZGRALMA	\$223,444	\$233,301	\$94,415	\$97,319	-57.7%	-58.3%
JCSNALNM	\$122,785	\$122,785	\$31,495	\$31,495	-74.3%	-74.3%
JCVLALMA	\$178,056	\$194,504	\$67,850	\$74,265	-61.9%	-61.8%
JSPRALMT	\$585,330	\$831,032	\$357,880	\$562,843	-38.9%	-32.3%
KLLNALMA	\$62,001	\$22,445	(\$13,307)	(\$57,147)	-121.5%	-354.6%
LFYTALRS	\$80,188	\$75,932	\$22,368	\$5,398	-72.1%	-92.9%
LGTNALMA	(\$117,846)	(\$138,462)	(\$99,450)	(\$121,220)	-15.6%	-12.5%
LNDNALMA	N/A	N/A	N/A	N/A	N/A	N/A
LVTNALLA	N/A	N/A	N/A	N/A	N/A	N/A
LXTNALMA	(\$14,553)	(\$27,848)	(\$35,709)	(\$50,806)	145.4%	82.4%
MARNALNM	\$76,309	\$76,309	N/A	N/A	N/A	N/A
MCINALMA	(\$66,218)	(\$66,218)	(\$70,506)	(\$70,506)	6.5%	6.5%
MDSNALNM	(\$1,433,967)	(\$2,204,039)	(\$939,339)	(\$1,729,254)	-34.5%	-21.5%
MDSNALOM	N/A	N/A	N/A	N/A	N/A	N/A

**COMPARISON OF BELL SOUTH WIRE CENTER NPV TO AT&T WIRE CENTER NPV
 FOR STRAIGHTLINE PENETRATION FOR RESIDENTIAL CUSTOMERS**

Wire Center	BellSouth Opening		AT&T Rebuttal		Percent Change	
	<u>Mass</u> <u>Market NPV</u>	<u>Total</u> <u>NPV</u>	<u>Mass</u> <u>Market NPV</u>	<u>Total</u> <u>NPV</u>	<u>Mass</u> <u>Market NPV</u>	<u>Total</u> <u>NPV</u>
MNFDALMA	\$21,854	\$9,404	(\$11,236)	(\$24,738)	-151.4%	-363.1%
MNTVALNM	\$90,745	\$129,810	\$39,244	\$68,954	-56.8%	-46.9%
MOBLALAP	\$903,546	\$1,140,536	\$452,696	\$632,170	-49.9%	-44.6%
MOBLALAZ	\$602,383	\$1,589,298	\$354,650	\$1,182,111	-41.1%	-25.6%
MOBLALBF	\$42,526	\$77,757	\$15,651	\$31,351	-63.2%	-59.7%
MOBLALOS	\$1,559,503	\$2,546,611	\$840,434	\$1,651,087	-46.1%	-35.2%
MOBLALPR	\$959,748	\$1,136,390	\$458,546	\$597,074	-52.2%	-47.5%
MOBLALSA	\$436,307	\$576,790	\$179,126	\$276,071	-58.9%	-52.1%
MOBLALSE	\$435,548	\$458,113	\$171,979	\$178,714	-60.5%	-61.0%
MOBLALSF	\$791,727	\$1,093,992	\$416,336	\$652,804	-47.4%	-40.3%
MOBLALSH	\$1,296,285	\$2,076,505	\$690,835	\$1,323,502	-46.7%	-36.3%
MOBLALSK	\$1,050,571	\$2,172,171	\$544,832	\$1,480,036	-48.1%	-31.9%
MOBLALTH	\$276,479	\$369,206	\$142,364	\$209,344	-48.5%	-43.3%
MOLTALNM	N/A	N/A	N/A	N/A	N/A	N/A
MPVLALMA	N/A	N/A	N/A	N/A	N/A	N/A
MTGMALDA	\$2,162,656	\$3,630,877	\$1,195,509	\$2,421,490	-44.7%	-33.3%
MTGMALMB	\$226,711	\$257,046	\$82,950	\$98,269	-63.4%	-61.8%
MTGMALMT	\$1,387,511	\$2,798,337	\$796,547	\$1,989,815	-42.6%	-28.9%
MTGMALNO	\$1,273,749	\$1,783,862	\$648,295	\$1,067,349	-49.1%	-40.2%
MTVRALMA	(\$15,203)	(\$15,203)	(\$44,496)	(\$44,496)	192.7%	192.7%
OHTCALMA	N/A	N/A	N/A	N/A	N/A	N/A
OPLKALMT	\$653,638	\$946,229	\$315,385	\$536,341	-51.7%	-43.3%
PDMTALMA	\$107,779	\$85,883	\$48,518	\$22,186	-55.0%	-74.2%
PHCYALFM	N/A	N/A	N/A	N/A	N/A	N/A
PHCYALMA	N/A	N/A	N/A	N/A	N/A	N/A
PNSNALMA	\$536,019	\$597,146	\$268,019	\$316,473	-50.0%	-47.0%
PRSHALNM	N/A	N/A	N/A	N/A	N/A	N/A
PRVLALMA	\$600,622	\$842,157	\$293,276	\$482,668	-51.2%	-42.7%
RDBAALMA	\$56,066	\$25,228	\$17,970	(\$17,969)	-67.9%	-171.2%
RLVLALMA	\$333,447	\$375,337	\$156,784	\$166,837	-53.0%	-55.5%
RRVLALMA	\$85,886	\$66,590	\$27,136	\$5,034	-68.4%	-92.4%
SELMALMT	\$714,507	\$1,092,204	\$328,661	\$619,660	-54.0%	-43.3%
SHFDALMT	\$964,312	\$1,477,891	\$567,858	\$994,416	-41.1%	-32.7%
STSNALMA	N/A	N/A	N/A	N/A	N/A	N/A
SYLCALMT	\$474,460	\$564,719	\$255,911	\$318,045	-46.1%	-43.7%
THVLALMA	\$44,346	\$44,346	(\$5,175)	(\$5,175)	-111.7%	-111.7%
TLDGALMA	\$405,892	\$723,810	\$227,155	\$490,922	-44.0%	-32.2%
TLDGALRF	N/A	N/A	N/A	N/A	N/A	N/A
TROYALMA	\$327,908	\$448,506	\$149,881	\$227,787	-54.3%	-49.2%
TSCLALDH	\$660,922	\$985,729	\$356,111	\$629,790	-46.1%	-36.1%
TSCLALMT	\$2,084,060	\$3,317,208	\$1,271,414	\$2,355,754	-39.0%	-29.0%
TSCLALNO	(\$20,360)	(\$35,383)	(\$38,798)	(\$73,777)	90.6%	108.5%
TSKGALMA	N/A	N/A	N/A	N/A	N/A	N/A
TWCKALMA	N/A	N/A	N/A	N/A	N/A	N/A
UNTWALNM	(\$30,548)	(\$30,548)	N/A	N/A	N/A	N/A
VNCNALMA	N/A	N/A	N/A	N/A	N/A	N/A
WBTNALNM	N/A	N/A	N/A	N/A	N/A	N/A
WRRRALNM	\$336,119	\$349,395	\$165,375	\$172,248	-50.8%	-50.7%
WTMPALMA	\$379,947	\$531,950	\$159,752	\$277,074	-58.0%	-47.9%

**COMPARISON OF BELLSOUTH WIRE CENTER NPV TO AT&T WIRE CENTER NPV
 FOR STRAIGHTLINE PENETRATION FOR RESIDENTIAL CUSTOMERS**

Wire Center	BellSouth Opening		AT&T Rebuttal		Percent Change	
	<u>Mass</u>	<u>Total</u>	<u>Mass</u>	<u>Total</u>	<u>Mass</u>	<u>Total</u>
	<u>Market NPV</u>	<u>NPV</u>	<u>Market NPV</u>	<u>NPV</u>	<u>Market NPV</u>	<u>NPV</u>
YORKALMA	N/A	N/A	N/A	N/A	N/A	N/A
	\$59,795,919	\$91,648,862	\$32,522,282	\$59,039,923	-45.6%	-35.6%

**COMPARISON OF BELL SOUTH CEA NPV TO AT&T CEA NPV
 FOR REDUCTION IN RETAIL PRICES BY 15 PERCENT FOR YEAR 1**

UneZone	CEA	BellSouth Opening		AT&T Rebuttal		Percent Change	
		Mass Market NPV	Total NPV	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV
Zone1	Anniston AL	\$862,929	\$1,416,326	\$250,187	\$502,740	-71.0%	-64.5%
Zone2	Anniston AL	\$1,293,062	\$1,876,113	(\$126,222)	\$36,974	-109.8%	-98.0%
Zone3	Anniston AL	N/A	N/A	N/A	N/A	N/A	N/A
Zone3	Atlanta GA-AL-NC	\$187,967	\$161,815	N/A	N/A	N/A	N/A
Zone1	Birmingham AL	\$19,305,888	\$30,921,886	\$6,417,724	\$12,135,117	-66.8%	-60.8%
Zone2	Birmingham AL	\$3,120,440	\$4,142,865	(\$448,877)	(\$202,859)	-114.4%	-104.9%
Zone3	Birmingham AL	N/A	N/A	N/A	N/A	N/A	N/A
Zone1	Columbus GA-AL	\$1,075,712	\$1,468,461	\$294,736	\$439,085	-72.6%	-70.1%
Zone2	Columbus GA-AL	\$1,498,780	\$2,062,394	\$0	(\$51,324)	-100.0%	-102.5%
Zone3	Columbus GA-AL	N/A	N/A	N/A	N/A	N/A	N/A
Zone1	Decatur AL	\$1,929,370	\$3,201,571	\$554,601	\$1,160,236	-71.3%	-63.8%
Zone2	Decatur AL	\$348,725	\$433,682	(\$16,254)	(\$3,982)	-104.7%	-100.9%
Zone3	Decatur AL	N/A	N/A	N/A	N/A	N/A	N/A
Zone2	Dothan AL-FL-GA	\$386,197	\$503,078	\$45,935	\$55,824	-88.1%	-88.9%
Zone3	Dothan AL-FL-GA	N/A	N/A	N/A	N/A	N/A	N/A
Zone1	Florence AL	\$964,312	\$1,477,891	\$245,915	\$466,451	-74.5%	-68.4%
Zone2	Florence AL	\$705,465	\$1,107,354	\$0	\$3,986	-100.0%	-99.6%
Zone3	Florence AL	\$405,002	\$323,290	N/A	N/A	N/A	N/A
Zone1	Gadsden AL	\$859,211	\$1,434,675	\$252,861	\$511,366	-70.6%	-64.4%
Zone2	Gadsden AL	\$802,957	\$933,274	(\$17,891)	(\$39,035)	-102.2%	-104.2%
Zone1	Huntsville AL-TN	\$3,992,521	\$6,033,713	\$371,861	\$1,041,203	-90.7%	-82.7%
Zone2	Huntsville AL-TN	\$2,378,385	\$3,380,882	(\$8,550)	\$285,277	-100.4%	-91.6%
Zone3	Huntsville AL-TN	N/A	N/A	N/A	N/A	N/A	N/A
Zone2	Meridian MS-AL	\$90,521	\$121,705	N/A	N/A	N/A	N/A
Zone3	Meridian MS-AL	N/A	N/A	N/A	N/A	N/A	N/A
Zone1	Mobile AL	\$8,155,308	\$13,067,774	\$2,080,723	\$4,305,281	-74.5%	-67.1%
Zone2	Mobile AL	\$1,099,436	\$1,383,236	(\$134,045)	(\$78,418)	-112.2%	-105.7%
Zone3	Mobile AL	\$449,785	\$449,785	N/A	N/A	N/A	N/A
Zone1	Montgomery AL	\$4,823,916	\$8,213,076	\$1,245,480	\$2,820,612	-74.2%	-65.7%
Zone2	Montgomery AL	\$2,249,695	\$3,171,862	(\$93,477)	\$158,297	-104.2%	-95.0%
Zone3	Montgomery AL	(\$13,021)	(\$13,021)	N/A	N/A	N/A	N/A
Zone1	Tuscaloosa AL	\$2,084,060	\$3,317,208	\$684,943	\$1,284,416	-67.1%	-61.3%
Zone2	Tuscaloosa AL	\$660,922	\$985,729	(\$45,398)	\$70,913	-106.9%	-92.8%
Zone3	Tuscaloosa AL	\$78,377	\$72,238	N/A	N/A	N/A	N/A
Total		\$59,795,919	\$91,648,862	\$11,554,252	\$24,902,162	-80.7%	-72.8%

**COMPARISON OF BELL SOUTH WIRE CENTER NPV TO AT&T WIRE CENTER NPV
 FOR REDUCTION IN RETAIL PRICES BY 15 PERCENT FOR YEAR 1**

Wire Center	BellSouth Opening		AT&T Rebuttal		Percent Change	
	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV
ALBSALMA	\$1,538,130	\$2,073,516	\$502,735	\$737,737	-67.3%	-64.4%
ALCYALMT	\$370,682	\$551,446	N/A	(\$1,099)	N/A	-100.2%
ALVLALMA	\$556,513	\$770,077	\$97,357	\$163,497	-82.5%	-78.8%
ANTNALLE	\$97,671	\$154,799	(\$110,933)	(\$96,325)	-213.6%	-162.2%
ANTNALMT	\$862,929	\$1,416,326	\$250,187	\$502,740	-71.0%	-64.5%
ANTNALOX	\$497,965	\$696,827	\$54,992	\$94,512	-89.0%	-86.4%
ATHNALER	N/A	N/A	N/A	N/A	N/A	N/A
ATHNALMA	\$853,067	\$1,212,879	\$47,717	\$191,336	-94.4%	-84.2%
ATTALNM	\$213,315	\$239,777	\$2,055	(\$2,308)	-99.0%	-101.0%
AUBNALMA	\$1,075,712	\$1,468,461	\$294,736	\$439,085	-72.6%	-70.1%
BLFNALMA	\$20,276	\$18,901	(\$34,937)	(\$40,219)	-272.3%	-312.8%
BOAZALMA	\$280,916	\$358,884	(\$20,868)	(\$17,976)	-107.4%	-105.0%
BRHMALCH	\$856,905	\$1,433,575	\$266,125	\$557,736	-68.9%	-61.1%
BRHMALCP	\$1,400,942	\$1,721,570	\$449,745	\$601,762	-67.9%	-65.0%
BRHMALEL	\$810,506	\$1,053,145	\$266,755	\$369,765	-67.1%	-64.9%
BRHMALEN	\$1,349,058	\$1,610,053	\$457,428	\$571,199	-66.1%	-64.5%
BRHMALEW	\$496,166	\$721,651	\$136,017	\$231,503	-72.6%	-67.9%
BRHMALFO	\$566,595	\$681,074	\$165,758	\$218,238	-70.7%	-68.0%
BRHMALFS	\$283,886	\$837,990	\$92,425	\$373,822	-67.4%	-55.4%
BRHMALHW	\$1,144,633	\$2,011,810	\$407,357	\$809,236	-64.4%	-59.8%
BRHMALMT	\$1,580,932	\$4,317,283	\$582,417	\$2,029,699	-63.2%	-53.0%
BRHMALOM	\$1,405,767	\$2,164,493	\$495,551	\$884,119	-64.7%	-59.2%
BRHMALOX	\$598,080	\$1,518,028	\$194,654	\$661,041	-67.5%	-56.5%
BRHMALRC	\$1,343,672	\$2,519,037	\$479,739	\$1,075,952	-64.3%	-57.3%
BRHMALTA	\$576,988	\$806,820	\$165,322	\$270,557	-71.3%	-66.5%
BRHMALVA	\$1,567,814	\$2,231,764	\$526,773	\$834,381	-66.4%	-62.6%
BRHMALWE	\$966,700	\$1,098,873	\$335,935	\$391,494	-65.2%	-64.4%
BRHMALWL	\$720,700	\$1,233,494	\$251,707	\$500,744	-65.1%	-59.4%
BRPTALMA	N/A	N/A	N/A	N/A	N/A	N/A
BRTALMA	\$207,304	\$329,432	(\$27,481)	\$5,716	-113.3%	-98.3%
BSMRALBP	N/A	N/A	N/A	N/A	N/A	N/A
BSMRALBU	\$33,422	\$20,582	N/A	N/A	N/A	N/A
BSMRALHT	\$450,393	\$538,480	(\$71,499)	(\$53,108)	-115.9%	-109.9%
BSMRALMA	\$1,617,209	\$2,326,719	\$516,120	\$870,156	-68.1%	-62.6%
BYMNALMA	\$430,346	\$430,346	N/A	N/A	N/A	N/A
CALRALMA	\$103,534	\$156,541	(\$23,540)	(\$9,266)	-122.7%	-105.9%
CHBGALMA	\$91,625	\$96,769	(\$26,843)	(\$36,364)	-129.3%	-137.6%
CHLSALMA	N/A	N/A	N/A	N/A	N/A	N/A
CLANALMA	N/A	N/A	N/A	N/A	N/A	N/A
CLMBALMA	\$180,595	\$282,988	(\$16,968)	\$22,592	-109.4%	-92.0%
CLMNALFA	N/A	N/A	N/A	N/A	N/A	N/A
CLMNALJC	N/A	N/A	N/A	N/A	N/A	N/A
CLMNALMA	\$589,697	\$992,143	(\$80,726)	\$26,802	-113.7%	-97.3%
CNVIALMA	N/A	N/A	N/A	N/A	N/A	N/A
CRDVALMA	\$66,838	\$63,384	(\$14,157)	(\$21,319)	-121.2%	-133.6%
CRHLALNM	N/A	N/A	N/A	N/A	N/A	N/A
CRLDALMA	N/A	N/A	N/A	N/A	N/A	N/A
CTRNALNM	\$29,077	\$29,077	N/A	N/A	N/A	N/A

**COMPARISON OF BELL SOUTH WIRE CENTER NPV TO AT&T WIRE CENTER NPV
 FOR REDUCTION IN RETAIL PRICES BY 15 PERCENT FOR YEAR 1**

Wire Center	BellSouth Opening		AT&T Rebuttal		Percent Change	
	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV
CYTNALMA	N/A	N/A	N/A	N/A	N/A	N/A
DCTRALMT	\$1,929,370	\$3,201,571	\$554,601	\$1,160,236	-71.3%	-63.8%
DDVLALMA	N/A	N/A	N/A	N/A	N/A	N/A
DMPLALMA	\$90,521	\$121,705	N/A	N/A	N/A	N/A
DORAALMA	\$98,610	\$111,267	(\$114,115)	(\$123,555)	-215.7%	-211.0%
EUFLALMA	\$386,197	\$503,078	\$45,935	\$55,824	-88.1%	-88.9%
EUTWALBO	N/A	N/A	N/A	N/A	N/A	N/A
EUTWALMA	N/A	N/A	N/A	N/A	N/A	N/A
EVRGALMA	\$7,252	\$7,252	N/A	N/A	N/A	N/A
FLRNALMA	\$705,465	\$1,107,354	N/A	\$3,986	N/A	-99.6%
FMTNALMT	(\$102,601)	(\$102,601)	N/A	N/A	N/A	N/A
FRHPALMA	\$672,539	\$865,307	\$152,692	\$223,464	-77.3%	-74.2%
FTDPALMA	(\$87,105)	(\$87,105)	N/A	N/A	N/A	N/A
FTPYALMA	\$338,819	\$490,929	\$38,931	\$64,122	-88.5%	-86.9%
GDSDALHS	\$242,725	\$287,135	(\$47,471)	(\$47,951)	-119.6%	-116.7%
GDSDALMT	\$859,211	\$1,434,675	\$252,861	\$511,366	-70.6%	-64.4%
GDSDALRD	\$346,917	\$406,362	\$27,526	\$11,224	-92.1%	-97.2%
GDWRALMA	N/A	N/A	N/A	N/A	N/A	N/A
GNBOALMA	\$65,315	\$87,039	N/A	N/A	N/A	N/A
GRDLALNM	\$481,203	\$560,990	\$125,162	\$145,975	-74.0%	-74.0%
GRLYALMA	N/A	N/A	N/A	N/A	N/A	N/A
GTVLALNM	\$125,626	\$314,811	(\$93,275)	(\$27,624)	-174.2%	-108.8%
GYVLALNM	\$82,560	\$90,679	(\$85,850)	(\$93,746)	-204.0%	-203.4%
HLVIALMA	\$28,322	\$28,322	N/A	N/A	N/A	N/A
HNVIALLW	\$1,291,544	\$1,499,327	\$360,126	\$450,553	-72.1%	-69.9%
HNVIALMT	\$1,490,983	\$2,531,971	\$447,945	\$929,703	-70.0%	-63.3%
HNVIALPW	\$1,380,940	\$1,854,054	\$370,194	\$575,014	-73.2%	-69.0%
HNVIALRA	\$481	\$61,181	\$175	\$33,168	-63.6%	-45.8%
HNVIALRW	\$52,565	\$200,437	\$3,051	\$63,623	-94.2%	-68.3%
HNVIALSD	N/A	N/A	N/A	N/A	N/A	N/A
HNVIALUN	\$1,209,975	\$2,090,783	\$362,669	\$794,618	-70.0%	-62.0%
HNVIALBR	N/A	N/A	N/A	N/A	N/A	N/A
HNVIALNM	N/A	N/A	N/A	N/A	N/A	N/A
HRBOALOM	N/A	N/A	N/A	N/A	N/A	N/A
HRTSALNM	\$348,725	\$433,682	(\$16,254)	(\$3,982)	-104.7%	-100.9%
HRTSALPE	N/A	N/A	N/A	N/A	N/A	N/A
HZGRALMA	\$223,444	\$233,301	(\$78,412)	(\$88,078)	-135.1%	-137.8%
JCSNALNM	\$122,785	\$122,785	N/A	N/A	N/A	N/A
JCVLALMA	\$178,056	\$194,504	(\$65,158)	(\$76,258)	-136.6%	-139.2%
JSPRALMT	\$585,330	\$831,032	(\$13,848)	\$57,226	-102.4%	-93.1%
KLLNALMA	\$62,001	\$22,445	N/A	N/A	N/A	N/A
LFYALRS	\$80,188	\$75,932	N/A	N/A	N/A	N/A
LGTNALMA	(\$117,846)	(\$138,462)	N/A	N/A	N/A	N/A
LNDNALMA	N/A	N/A	N/A	N/A	N/A	N/A
LVTNALLA	N/A	N/A	N/A	N/A	N/A	N/A
LXTNALMA	(\$14,553)	(\$27,848)	N/A	N/A	N/A	N/A
MARNALNM	\$76,309	\$76,309	N/A	N/A	N/A	N/A
MCINALMA	(\$66,218)	(\$66,218)	N/A	N/A	N/A	N/A

**COMPARISON OF BELL SOUTH WIRE CENTER NPV TO AT&T WIRE CENTER NPV
FOR REDUCTION IN RETAIL PRICES BY 15 PERCENT FOR YEAR 1**

Wire Center	BellSouth Opening		AT&T Rebuttal		Percent Change	
	<u>Mass</u> Market NPV	<u>Total</u> NPV	<u>Mass</u> Market NPV	<u>Total</u> NPV	<u>Mass</u> Market NPV	<u>Total</u> NPV
MDSNALNM	(\$1,433,967)	(\$2,204,039)	(\$1,172,300)	(\$1,805,476)	-18.2%	-18.1%
MDSNALOM	N/A	N/A	N/A	N/A	N/A	N/A
MNFDALMA	\$21,854	\$9,404	(\$17,541)	(\$29,221)	-180.3%	-410.7%
MNTVALNM	\$90,745	\$129,810	(\$54,809)	(\$43,571)	-160.4%	-133.6%
MOBLALAP	\$903,546	\$1,140,536	\$233,163	\$314,175	-74.2%	-72.5%
MOBLALAZ	\$602,383	\$1,589,298	\$178,283	\$672,374	-70.4%	-57.7%
MOBLALBF	\$42,526	\$77,757	(\$8,897)	(\$7,574)	-120.9%	-109.7%
MOBLALOS	\$1,559,503	\$2,546,611	\$447,940	\$908,777	-71.3%	-64.3%
MOBLALPR	\$959,748	\$1,136,390	\$260,335	\$332,306	-72.9%	-70.8%
MOBLALSA	\$436,307	\$576,790	(\$22,624)	\$9,632	-105.2%	-98.3%
MOBLALSE	\$435,548	\$458,113	(\$49,003)	(\$53,547)	-111.3%	-111.7%
MOBLALSF	\$791,727	\$1,093,992	\$209,121	\$326,607	-73.6%	-70.1%
MOBLALSH	\$1,296,285	\$2,076,505	\$316,092	\$657,578	-75.6%	-68.3%
MOBLALSK	\$1,050,571	\$2,172,171	\$246,247	\$806,034	-76.6%	-62.9%
MOBLALTH	\$276,479	\$369,206	\$45,748	\$71,539	-83.5%	-80.6%
MOLTALNM	N/A	N/A	N/A	N/A	N/A	N/A
MPVLALMA	N/A	N/A	N/A	N/A	N/A	N/A
MTGMALDA	\$2,162,656	\$3,630,877	\$573,331	\$1,237,266	-73.5%	-65.9%
MTGMALMB	\$226,711	\$257,046	(\$65,027)	(\$76,012)	-128.7%	-129.6%
MTGMALMT	\$1,387,511	\$2,798,337	\$373,311	\$1,059,490	-73.1%	-62.1%
MTGMALNO	\$1,273,749	\$1,783,862	\$298,838	\$523,857	-76.5%	-70.6%
MTVRALMA	(\$15,203)	(\$15,203)	N/A	N/A	N/A	N/A
OHTCALMA	N/A	N/A	N/A	N/A	N/A	N/A
OPLKALMT	\$653,638	\$946,229	N/A	\$2,606	N/A	-99.7%
PDMTALMA	\$107,779	\$85,883	N/A	N/A	N/A	N/A
PHCYALFM	N/A	N/A	N/A	N/A	N/A	N/A
PHCYALMA	N/A	N/A	N/A	N/A	N/A	N/A
PNSNALMA	\$536,019	\$597,146	\$34,024	\$49,918	-93.7%	-91.6%
PRSHALNM	N/A	N/A	N/A	N/A	N/A	N/A
PRVLALMA	\$600,622	\$842,157	(\$799)	\$78,743	-100.1%	-90.6%
RDBAALMA	\$56,066	\$25,228	N/A	N/A	N/A	N/A
RLVLALMA	\$333,447	\$375,337	N/A	N/A	N/A	N/A
RRVLALMA	\$85,886	\$66,590	N/A	N/A	N/A	N/A
SELMALMT	\$714,507	\$1,092,204	\$2,133	\$117,344	-99.7%	-89.3%
SHFDALMT	\$964,312	\$1,477,891	\$245,915	\$466,451	-74.5%	-68.4%
STSNALMA	N/A	N/A	N/A	N/A	N/A	N/A
SYLCALMT	\$474,460	\$564,719	N/A	(\$52,831)	N/A	-109.4%
THVLALMA	\$44,346	\$44,346	N/A	N/A	N/A	N/A
TLDGALMA	\$405,892	\$723,810	\$39,260	\$180,631	-90.3%	-75.0%
TLDGALRF	N/A	N/A	N/A	N/A	N/A	N/A
TROYALMA	\$327,908	\$448,506	\$8,093	\$24,607	-97.5%	-94.5%
TSCALDH	\$660,922	\$985,729	(\$45,398)	\$70,913	-106.9%	-92.8%
TSCALMT	\$2,084,060	\$3,317,208	\$684,943	\$1,284,416	-67.1%	-61.3%
TSCALNO	(\$20,360)	(\$35,383)	N/A	N/A	N/A	N/A
TSKGALMA	N/A	N/A	N/A	N/A	N/A	N/A
TWCKALMA	N/A	N/A	N/A	N/A	N/A	N/A
UNTWALNM	(\$30,548)	(\$30,548)	N/A	N/A	N/A	N/A
VNCNALMA	N/A	N/A	N/A	N/A	N/A	N/A

**COMPARISON OF BELL SOUTH WIRE CENTER NPV TO AT&T WIRE CENTER NPV
 FOR REDUCTION IN RETAIL PRICES BY 15 PERCENT FOR YEAR 1**

Wire Center	BellSouth Opening		AT&T Rebuttal		Percent Change	
	<u>Mass</u> <u>Market NPV</u>	<u>Total</u> <u>NPV</u>	<u>Mass</u> <u>Market NPV</u>	<u>Total</u> <u>NPV</u>	<u>Mass</u> <u>Market NPV</u>	<u>Total</u> <u>NPV</u>
WBTNALNM	N/A	N/A	N/A	N/A	N/A	N/A
WRRRALNM	\$336,119	\$349,395	(\$7,388)	(\$14,831)	-102.2%	-104.2%
WTMPALMA	\$379,947	\$531,950	(\$37,877)	\$13,615	-110.0%	-97.4%
YORKALMA	N/A	N/A	N/A	N/A	N/A	N/A
	\$59,795,919	\$91,648,862	\$11,554,252	\$24,902,162	-80.7%	-72.8%

**COMPARISON OF BELL SOUTH CEA NPV TO AT&T CEA NPV
 FOR ANNUAL PRICE DECREASE OF 1 PERCENT**

UneZone	CEA	BellSouth Opening		AT&T Rebuttal		Percent Change	
		Mass Market NPV	Total NPV	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV
Zone1	Anniston AL	\$862,929	\$1,416,326	\$633,235	\$1,085,808	-26.6%	-23.3%
Zone2	Anniston AL	\$1,293,062	\$1,876,113	\$721,106	\$1,152,065	-44.2%	-38.6%
Zone3	Anniston AL	N/A	N/A	N/A	N/A	N/A	N/A
Zone3	Atlanta GA-AL-NC	\$187,967	\$161,815	\$96,722	\$31,696	-48.5%	-80.4%
Zone1	Birmingham AL	\$19,305,888	\$30,921,886	\$14,751,620	\$24,385,925	-23.6%	-21.1%
Zone2	Birmingham AL	\$3,120,440	\$4,142,865	\$1,737,361	\$2,469,746	-44.3%	-40.4%
Zone3	Birmingham AL	N/A	N/A	N/A	N/A	N/A	N/A
Zone1	Columbus GA-AL	\$1,075,712	\$1,468,461	\$777,788	\$1,090,884	-27.7%	-25.7%
Zone2	Columbus GA-AL	\$1,498,780	\$2,062,394	\$930,079	\$1,345,953	-37.9%	-34.7%
Zone3	Columbus GA-AL	N/A	N/A	N/A	N/A	N/A	N/A
Zone1	Decatur AL	\$1,929,370	\$3,201,571	\$1,460,261	\$2,510,355	-24.3%	-21.6%
Zone2	Decatur AL	\$348,725	\$433,682	\$204,799	\$264,219	-41.3%	-39.1%
Zone3	Decatur AL	N/A	N/A	N/A	N/A	N/A	N/A
Zone2	Dothan AL-FL-GA	\$386,197	\$503,078	\$262,142	\$340,288	-32.1%	-32.4%
Zone3	Dothan AL-FL-GA	N/A	N/A	N/A	N/A	N/A	N/A
Zone1	Florence AL	\$964,312	\$1,477,891	\$715,593	\$1,124,465	-25.8%	-23.9%
Zone2	Florence AL	\$705,465	\$1,107,354	\$356,980	\$644,197	-49.4%	-41.8%
Zone3	Florence AL	\$405,002	\$323,290	\$595	\$595	-99.9%	-99.8%
Zone1	Gadsden AL	\$859,211	\$1,434,675	\$632,116	\$1,100,674	-26.4%	-23.3%
Zone2	Gadsden AL	\$802,957	\$933,274	\$482,773	\$547,079	-39.9%	-41.4%
Zone1	Huntsville AL-TN	\$3,992,521	\$6,033,713	\$2,699,757	\$4,249,729	-32.4%	-29.6%
Zone2	Huntsville AL-TN	\$2,378,385	\$3,380,882	\$1,480,574	\$2,219,816	-37.7%	-34.3%
Zone3	Huntsville AL-TN	N/A	N/A	N/A	N/A	N/A	N/A
Zone2	Meridian MS-AL	\$90,521	\$121,705	\$16,674	\$22,024	-81.6%	-81.9%
Zone3	Meridian MS-AL	N/A	N/A	N/A	N/A	N/A	N/A
Zone1	Mobile AL	\$8,155,308	\$13,067,774	\$6,052,165	\$10,058,066	-25.8%	-23.0%
Zone2	Mobile AL	\$1,099,436	\$1,383,236	\$641,051	\$839,858	-41.7%	-39.3%
Zone3	Mobile AL	\$449,785	\$449,785	\$3,596	\$3,596	-99.2%	-99.2%
Zone1	Montgomery AL	\$4,823,916	\$8,213,076	\$3,583,225	\$6,378,963	-25.7%	-22.3%
Zone2	Montgomery AL	\$2,249,695	\$3,171,862	\$1,368,990	\$2,058,387	-39.1%	-35.1%
Zone3	Montgomery AL	(\$13,021)	(\$13,021)	N/A	N/A	N/A	N/A
Zone1	Tuscaloosa AL	\$2,084,060	\$3,317,208	\$1,589,231	\$2,608,636	-23.7%	-21.4%
Zone2	Tuscaloosa AL	\$660,922	\$985,729	\$387,625	\$636,903	-41.4%	-35.4%
Zone3	Tuscaloosa AL	\$78,377	\$72,238	N/A	N/A	N/A	N/A
Total		\$59,795,919	\$91,648,862	\$41,586,056	\$67,169,925	-30.5%	-26.7%

**COMPARISON OF BELL SOUTH WIRE CENTER NPV TO AT&T WIRE CENTER NPV
 FOR ANNUAL PRICE DECREASE OF 1 PERCENT**

Wire Center	BellSouth Opening		AT&T Rebuttal		Percent Change	
	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV
ALBSALMA	\$1,538,130	\$2,073,516	\$1,171,963	\$1,603,277	-23.8%	-22.7%
ALCYALMT	\$370,682	\$551,446	\$233,723	\$372,093	-36.9%	-32.5%
ALVLALMA	\$556,513	\$770,077	\$382,450	\$539,359	-31.3%	-30.0%
ANTNALLE	\$97,671	\$154,799	\$10,742	\$51,870	-89.0%	-66.5%
ANTNALMT	\$862,929	\$1,416,326	\$633,235	\$1,085,808	-26.6%	-23.3%
ANTNALOX	\$497,965	\$696,827	\$318,116	\$458,165	-36.1%	-34.2%
ATHNALER	N/A	N/A	N/A	N/A	N/A	N/A
ATHNALMA	\$853,067	\$1,212,879	\$563,164	\$847,572	-34.0%	-30.1%
ATTLALNM	\$213,315	\$239,777	\$132,213	\$146,203	-38.0%	-39.0%
AUBNALMA	\$1,075,712	\$1,468,461	\$777,788	\$1,090,884	-27.7%	-25.7%
BLFNALMA	\$20,276	\$18,901	(\$1,887)	(\$5,102)	-109.3%	-127.0%
BOAZALMA	\$280,916	\$358,884	\$163,595	\$212,071	-41.8%	-40.9%
BRHMALCH	\$856,905	\$1,433,575	\$647,009	\$1,128,627	-24.5%	-21.3%
BRHMALCP	\$1,400,942	\$1,721,570	\$1,064,108	\$1,327,399	-24.0%	-22.9%
BRHMALEL	\$810,506	\$1,053,145	\$618,430	\$812,394	-23.7%	-22.9%
BRHMALEN	\$1,349,058	\$1,610,053	\$1,035,211	\$1,245,118	-23.3%	-22.7%
BRHMALEW	\$496,166	\$721,651	\$366,413	\$546,489	-26.2%	-24.3%
BRHMALFO	\$566,595	\$681,074	\$423,178	\$516,370	-25.3%	-24.2%
BRHMALFS	\$283,886	\$837,990	\$208,915	\$673,522	-26.4%	-19.6%
BRHMALHW	\$1,144,633	\$2,011,810	\$886,855	\$1,594,920	-22.5%	-20.7%
BRHMALMT	\$1,580,932	\$4,317,283	\$1,233,127	\$3,547,266	-22.0%	-17.8%
BRHMALOM	\$1,405,767	\$2,164,493	\$1,087,772	\$1,723,768	-22.6%	-20.4%
BRHMALOX	\$598,080	\$1,518,028	\$455,304	\$1,224,164	-23.9%	-19.4%
BRHMALRC	\$1,343,672	\$2,519,037	\$1,042,237	\$2,024,751	-22.4%	-19.6%
BRHMALTA	\$576,988	\$806,820	\$429,222	\$616,291	-25.6%	-23.6%
BRHMALVA	\$1,567,814	\$2,231,764	\$1,201,103	\$1,743,254	-23.4%	-21.9%
BRHMALWE	\$966,700	\$1,098,873	\$745,697	\$851,069	-22.9%	-22.6%
BRHMALWL	\$720,700	\$1,233,494	\$556,345	\$980,079	-22.8%	-20.5%
BRPTALMA	N/A	N/A	N/A	N/A	N/A	N/A
BRTALMA	\$207,304	\$329,432	\$119,575	\$209,150	-42.3%	-36.5%
BSMRALBP	N/A	N/A	N/A	N/A	N/A	N/A
BSMRALBU	\$33,422	\$20,582	N/A	N/A	N/A	N/A
BSMRALHT	\$450,393	\$538,480	\$246,037	\$307,672	-45.4%	-42.9%
BSMRALMA	\$1,617,209	\$2,326,719	\$1,226,367	\$1,816,920	-24.2%	-21.9%
BYMNALMA	\$430,346	\$430,346	\$287,286	\$287,286	-33.2%	-33.2%
CALRALMA	\$103,534	\$156,541	\$53,256	\$91,767	-48.6%	-41.4%
CHBGALMA	\$91,625	\$96,769	\$44,455	\$43,208	-51.5%	-55.3%
CHLSALMA	N/A	N/A	N/A	N/A	N/A	N/A
CLANALMA	N/A	N/A	N/A	N/A	N/A	N/A
CLMBALMA	\$180,595	\$282,988	\$103,582	\$183,471	-42.6%	-35.2%
CLMNALFA	N/A	N/A	N/A	N/A	N/A	N/A
CLMNALJC	N/A	N/A	N/A	N/A	N/A	N/A
CLMNALMA	\$589,697	\$992,143	\$341,448	\$635,905	-42.1%	-35.9%
CNVIALMA	N/A	N/A	N/A	N/A	N/A	N/A
CRDVALMA	\$66,838	\$63,384	\$34,868	\$29,507	-47.8%	-53.4%
CRHLALNM	N/A	N/A	N/A	N/A	N/A	N/A
CRLDALMA	N/A	N/A	N/A	N/A	N/A	N/A
CTRNALNM	\$29,077	\$29,077	(\$13,837)	(\$13,837)	-147.6%	-147.6%

**COMPARISON OF BELL SOUTH WIRE CENTER NPV TO AT&T WIRE CENTER NPV
 FOR ANNUAL PRICE DECREASE OF 1 PERCENT**

Wire Center	BellSouth Opening		AT&T Rebuttal		Percent Change	
	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV
CYTNALMA	N/A	N/A	N/A	N/A	N/A	N/A
DCTRALMT	\$1,929,370	\$3,201,571	\$1,460,261	\$2,510,355	-24.3%	-21.6%
DDVLALMA	N/A	N/A	N/A	N/A	N/A	N/A
DMPLALMA	\$90,521	\$121,705	\$16,674	\$22,024	-81.6%	-81.9%
DORALMA	\$98,610	\$111,267	\$9,953	\$13,316	-89.9%	-88.0%
EUFLALMA	\$386,197	\$503,078	\$262,142	\$340,288	-32.1%	-32.4%
EUTWALBO	N/A	N/A	N/A	N/A	N/A	N/A
EUTWALMA	N/A	N/A	N/A	N/A	N/A	N/A
EVRGALMA	\$7,252	\$7,252	(\$39,816)	(\$39,816)	-649.0%	-649.0%
FLRNALMA	\$705,465	\$1,107,354	\$356,980	\$644,197	-49.4%	-41.8%
FMTNALMT	(\$102,601)	(\$102,601)	(\$141,538)	(\$141,538)	38.0%	38.0%
FRHPALMA	\$672,539	\$865,307	\$491,182	\$641,256	-27.0%	-25.9%
FTDPALMA	(\$87,105)	(\$87,105)	N/A	N/A	N/A	N/A
FTPYALMA	\$338,819	\$490,929	\$225,890	\$329,346	-33.3%	-32.9%
GDSDALHS	\$242,725	\$287,135	\$128,251	\$154,879	-47.2%	-46.1%
GDSDALMT	\$859,211	\$1,434,675	\$632,116	\$1,100,674	-26.4%	-23.3%
GDSDALRD	\$346,917	\$406,362	\$222,308	\$245,997	-35.9%	-39.5%
GDWRALMA	N/A	N/A	N/A	N/A	N/A	N/A
GNBOALMA	\$65,315	\$87,039	N/A	N/A	N/A	N/A
GRDLALNM	\$481,203	\$560,990	\$352,364	\$410,246	-26.8%	-26.9%
GRLYALMA	N/A	N/A	N/A	N/A	N/A	N/A
GTVLALNM	\$125,626	\$314,811	\$35,713	\$179,915	-71.6%	-42.8%
GYVLALNM	\$82,560	\$90,679	\$12,591	\$13,905	-84.7%	-84.7%
HLVIALMA	\$28,322	\$28,322	N/A	N/A	N/A	N/A
HNVIALLW	\$1,291,544	\$1,499,327	\$973,480	\$1,141,276	-24.6%	-23.9%
HNVIALMT	\$1,490,983	\$2,531,971	\$1,135,792	\$1,988,955	-23.8%	-21.4%
HNVIALPW	\$1,380,940	\$1,854,054	\$1,034,366	\$1,415,918	-25.1%	-23.6%
HNVIALRA	\$481	\$61,181	\$376	\$52,209	-21.7%	-14.7%
HNVIALRW	\$52,565	\$200,437	\$34,727	\$152,262	-33.9%	-24.0%
HNVIALSD	N/A	N/A	N/A	N/A	N/A	N/A
HNVIALUN	\$1,209,975	\$2,090,783	\$921,986	\$1,654,349	-23.8%	-20.9%
HNVLALBR	N/A	N/A	N/A	N/A	N/A	N/A
HNVLALNM	N/A	N/A	N/A	N/A	N/A	N/A
HRBOALOM	N/A	N/A	N/A	N/A	N/A	N/A
HRTSALNM	\$348,725	\$433,682	\$204,799	\$264,219	-41.3%	-39.1%
HRTSALPE	N/A	N/A	N/A	N/A	N/A	N/A
HZGRALMA	\$223,444	\$233,301	\$109,761	\$111,554	-50.9%	-52.2%
JCSNALNM	\$122,785	\$122,785	\$45,169	\$45,169	-63.2%	-63.2%
JCVLALMA	\$178,056	\$194,504	\$80,572	\$85,435	-54.7%	-56.1%
JSPRALMT	\$585,330	\$831,032	\$354,717	\$535,718	-39.4%	-35.5%
KLLNALMA	\$62,001	\$22,445	(\$38,835)	(\$38,835)	-162.6%	-273.0%
LFYTALRS	\$80,188	\$75,932	\$41,194	\$13,315	-48.6%	-82.5%
LGTNALMA	(\$117,846)	(\$138,462)	(\$160,125)	(\$160,125)	35.9%	15.6%
LNDNALMA	N/A	N/A	N/A	N/A	N/A	N/A
LVTNALLA	N/A	N/A	N/A	N/A	N/A	N/A
LXTNALMA	(\$14,553)	(\$27,848)	(\$35,355)	(\$35,355)	142.9%	27.0%
MARNALNM	\$76,309	\$76,309	N/A	N/A	N/A	N/A
MCINALMA	(\$66,218)	(\$66,218)	(\$78,442)	(\$78,442)	18.5%	18.5%

**COMPARISON OF BELL SOUTH WIRE CENTER NPV TO AT&T WIRE CENTER NPV
 FOR ANNUAL PRICE DECREASE OF 1 PERCENT**

Wire Center	BellSouth Opening		AT&T Rebuttal		Percent Change	
	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV
MDSNALNM	(\$1,433,967)	(\$2,204,039)	(\$1,400,971)	(\$2,155,240)	-2.3%	-2.2%
MDSNALOM	N/A	N/A	N/A	N/A	N/A	N/A
MNFDALMA	\$21,854	\$9,404	\$5,668	(\$7,204)	-74.1%	-176.6%
MNTVALNM	\$90,745	\$129,810	\$31,469	\$60,161	-65.3%	-53.7%
MOBLALAP	\$903,546	\$1,140,536	\$671,733	\$853,565	-25.7%	-25.2%
MOBLALAZ	\$602,383	\$1,589,298	\$456,918	\$1,282,157	-24.1%	-19.3%
MOBLALBF	\$42,526	\$77,757	\$23,117	\$45,375	-45.6%	-41.6%
MOBLALOS	\$1,559,503	\$2,546,611	\$1,178,497	\$1,989,612	-24.4%	-21.9%
MOBLALPR	\$959,748	\$1,136,390	\$719,270	\$859,863	-25.1%	-24.3%
MOBLALSA	\$436,307	\$576,790	\$267,420	\$367,991	-38.7%	-36.2%
MOBLALSE	\$435,548	\$458,113	\$255,943	\$267,820	-41.2%	-41.5%
MOBLALSF	\$791,727	\$1,093,992	\$590,527	\$828,616	-25.4%	-24.3%
MOBLALSH	\$1,296,285	\$2,076,505	\$955,953	\$1,587,043	-26.3%	-23.6%
MOBLALSK	\$1,050,571	\$2,172,171	\$770,526	\$1,707,622	-26.7%	-21.4%
MOBLALTH	\$276,479	\$369,206	\$194,442	\$262,958	-29.7%	-28.8%
MOLTALNM	N/A	N/A	N/A	N/A	N/A	N/A
MPVLALMA	N/A	N/A	N/A	N/A	N/A	N/A
MTGMALDA	\$2,162,656	\$3,630,877	\$1,613,505	\$2,816,865	-25.4%	-22.4%
MTGMALMB	\$226,711	\$257,046	\$116,680	\$130,934	-48.5%	-49.1%
MTGMALMT	\$1,387,511	\$2,798,337	\$1,037,142	\$2,213,800	-25.3%	-20.9%
MTGMALNO	\$1,273,749	\$1,783,862	\$932,579	\$1,348,298	-26.8%	-24.4%
MTVRALMA	(\$15,203)	(\$15,203)	(\$44,176)	(\$44,176)	190.6%	190.6%
OHTCALMA	N/A	N/A	N/A	N/A	N/A	N/A
OPLKALMT	\$653,638	\$946,229	\$400,855	\$618,345	-38.7%	-34.7%
PDMTALMA	\$107,779	\$85,883	\$55,528	\$18,381	-48.5%	-78.6%
PHCYALFM	N/A	N/A	N/A	N/A	N/A	N/A
PHCYALMA	N/A	N/A	N/A	N/A	N/A	N/A
PNSNALMA	\$536,019	\$597,146	\$345,846	\$390,081	-35.5%	-34.7%
PRSHALNM	N/A	N/A	N/A	N/A	N/A	N/A
PRVLALMA	\$600,622	\$842,157	\$381,056	\$566,067	-36.6%	-32.8%
RDBAALMA	\$56,066	\$25,228	\$15,681	\$15,681	-72.0%	-37.8%
RLVLALMA	\$333,447	\$375,337	\$191,207	\$191,207	-42.7%	-49.1%
RRVLALMA	\$85,886	\$66,590	\$28,022	\$28,022	-67.4%	-57.9%
SELMALMT	\$714,507	\$1,092,204	\$436,837	\$726,627	-38.9%	-33.5%
SHFDALMT	\$964,312	\$1,477,891	\$715,593	\$1,124,465	-25.8%	-23.9%
STSNALMA	N/A	N/A	N/A	N/A	N/A	N/A
SYLCALMT	\$474,460	\$564,719	\$295,501	\$355,514	-37.7%	-37.0%
THVLALMA	\$44,346	\$44,346	(\$11,050)	(\$11,050)	-124.9%	-124.9%
TLDGALMA	\$405,892	\$723,810	\$261,552	\$520,591	-35.6%	-28.1%
TLDGALRF	N/A	N/A	N/A	N/A	N/A	N/A
TROYALMA	\$327,908	\$448,506	\$209,268	\$292,564	-36.2%	-34.8%
TSCLALDH	\$660,922	\$985,729	\$387,625	\$636,903	-41.4%	-35.4%
TSCLALMT	\$2,084,060	\$3,317,208	\$1,589,231	\$2,608,636	-23.7%	-21.4%
TSCLALNO	(\$20,360)	(\$35,383)	N/A	N/A	N/A	N/A
TSKGALMA	N/A	N/A	N/A	N/A	N/A	N/A
TWCKALMA	N/A	N/A	N/A	N/A	N/A	N/A
UNTWALNM	(\$30,548)	(\$30,548)	N/A	N/A	N/A	N/A
VNCNALMA	N/A	N/A	N/A	N/A	N/A	N/A

**COMPARISON OF BELL SOUTH WIRE CENTER NPV TO AT&T WIRE CENTER NPV
 FOR ANNUAL PRICE DECREASE OF 1 PERCENT**

Wire Center	BellSouth Opening		AT&T Rebuttal		Percent Change	
	<u>Mass</u> <u>Market NPV</u>	<u>Total</u> <u>NPV</u>	<u>Mass</u> <u>Market NPV</u>	<u>Total</u> <u>NPV</u>	<u>Mass</u> <u>Market NPV</u>	<u>Total</u> <u>NPV</u>
WBTNALNM	N/A	N/A	N/A	N/A	N/A	N/A
WRRRALNM	\$336,119	\$349,395	\$203,593	\$208,244	-39.4%	-40.4%
WTMPALMA	\$379,947	\$531,950	\$225,150	\$342,195	-40.7%	-35.7%
YORKALMA	N/A	N/A	N/A	N/A	N/A	N/A
	\$59,795,919	\$91,648,862	\$41,586,056	\$67,169,925	-30.5%	-26.7%

**COMPARISON OF BELL SOUTH CEA NPV TO AT&T CEA NPV
FOR ANNUAL PRICE DECREASE OF 1 PERCENT, MARKET SHARE OF 5 PERCENT AND STRAIGHTLINE PENETRATION FOR RESIDENTIAL**

UneZone	CEA	BellSouth Opening		AT&T Rebuttal		Percent Change	
		Mass Market NPV	Total NPV	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV
Zone1	Anniston AL	\$862,929	\$1,416,326	\$24,535	\$35,951	-97.2%	-97.5%
Zone2	Anniston AL	\$1,293,062	\$1,876,113	(\$38,987)	(\$53,905)	-103.0%	-102.9%
Zone3	Anniston AL	N/A	N/A	N/A	N/A	N/A	N/A
Zone3	Atlanta GA-AL-NC	\$187,967	\$161,815	N/A	N/A	N/A	N/A
Zone1	Birmingham AL	\$19,305,888	\$30,921,886	\$507,004	\$861,468	-97.4%	-97.2%
Zone2	Birmingham AL	\$3,120,440	\$4,142,865	(\$49,904)	(\$87,906)	-101.6%	-102.1%
Zone3	Birmingham AL	N/A	N/A	N/A	N/A	N/A	N/A
Zone1	Columbus GA-AL	\$1,075,712	\$1,468,461	\$15,422	\$9,536	-98.6%	-99.4%
Zone2	Columbus GA-AL	\$1,498,780	\$2,062,394	N/A	N/A	N/A	N/A
Zone3	Columbus GA-AL	N/A	N/A	N/A	N/A	N/A	N/A
Zone1	Decatur AL	\$1,929,370	\$3,201,571	\$65,145	\$77,034	-96.6%	-97.6%
Zone2	Decatur AL	\$348,725	\$433,682	(\$7,521)	(\$13,813)	-102.2%	-103.2%
Zone3	Decatur AL	N/A	N/A	N/A	N/A	N/A	N/A
Zone2	Dothan AL-FL-GA	\$386,197	\$503,078	(\$10,673)	(\$22,767)	-102.8%	-104.5%
Zone3	Dothan AL-FL-GA	N/A	N/A	N/A	N/A	N/A	N/A
Zone1	Florence AL	\$964,312	\$1,477,891	\$15,049	\$11,733	-98.4%	-99.2%
Zone2	Florence AL	\$705,465	\$1,107,354	(\$12,741)	(\$31,295)	-101.8%	-102.8%
Zone3	Florence AL	\$405,002	\$323,290	N/A	N/A	N/A	N/A
Zone1	Gadsden AL	\$859,211	\$1,434,675	\$24,782	\$36,234	-97.1%	-97.5%
Zone2	Gadsden AL	\$802,957	\$933,274	(\$10,676)	(\$26,270)	-101.3%	-102.8%
Zone1	Huntsville AL-TN	\$3,992,521	\$6,033,713	\$28,066	(\$51,147)	-99.3%	-100.8%
Zone2	Huntsville AL-TN	\$2,378,385	\$3,380,882	(\$17,909)	(\$42,820)	-100.8%	-101.3%
Zone3	Huntsville AL-TN	N/A	N/A	N/A	N/A	N/A	N/A
Zone2	Meridian MS-AL	\$90,521	\$121,705	N/A	N/A	N/A	N/A
Zone3	Meridian MS-AL	N/A	N/A	N/A	N/A	N/A	N/A
Zone1	Mobile AL	\$8,155,308	\$13,067,774	\$161,664	\$129,402	-98.0%	-99.0%
Zone2	Mobile AL	\$1,099,436	\$1,383,236	(\$46,139)	(\$72,133)	-104.2%	-105.2%
Zone3	Mobile AL	\$449,785	\$449,785	N/A	N/A	N/A	N/A
Zone1	Montgomery AL	\$4,823,916	\$8,213,076	\$42,243	\$77,667	-99.1%	-99.1%
Zone2	Montgomery AL	\$2,249,695	\$3,171,862	(\$36,336)	(\$68,536)	-101.6%	-102.2%
Zone3	Montgomery AL	(\$13,021)	(\$13,021)	N/A	N/A	N/A	N/A
Zone1	Tuscaloosa AL	\$2,084,060	\$3,317,208	\$96,475	\$133,918	-95.4%	-96.0%
Zone2	Tuscaloosa AL	\$660,922	\$985,729	\$7,242	\$9,154	-98.9%	-99.1%
Zone3	Tuscaloosa AL	\$78,377	\$72,238	N/A	N/A	N/A	N/A
Total		\$59,795,919	\$91,648,862	\$756,739	\$911,506	-98.7%	-99.0%

**COMPARISON OF BELL SOUTH WIRE CENTER NPV TO AT&T WIRE CENTER NPV
 FOR ANNUAL PRICE DECREASE, MKT SHARE OF 5 % AND STLINE PENETRATION FOR RES**

Wire Center	BellSouth Opening		AT&T Rebuttal		Percent Change	
	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV
ALBSALMA	\$1,538,130	\$2,073,516	\$68,015	\$79,972	-95.6%	-96.1%
ALCYALMT	\$370,682	\$551,446	N/A	N/A	N/A	N/A
ALVLALMA	\$556,513	\$770,077	\$5,093	\$2,387	-99.1%	-99.7%
ANTNALLE	\$97,671	\$154,799	(\$13,857)	(\$16,725)	-114.2%	-110.8%
ANTNALMT	\$862,929	\$1,416,326	\$24,535	\$35,951	-97.2%	-97.5%
ANTNALOX	\$497,965	\$696,827	\$2,226	(\$3,191)	-99.6%	-100.5%
ATHNALER	N/A	N/A	N/A	N/A	N/A	N/A
ATHNALMA	\$853,067	\$1,212,879	\$6,914	\$3,627	-99.2%	-99.7%
ATTLALNM	\$213,315	\$239,777	(\$1,897)	(\$5,892)	-100.9%	-102.5%
AUBNALMA	\$1,075,712	\$1,468,461	\$15,422	\$9,536	-98.6%	-99.4%
BLFNALMA	\$20,276	\$18,901	(\$13,450)	(\$15,899)	-166.3%	-184.1%
BOAZALMA	\$280,916	\$358,884	(\$5,209)	(\$11,073)	-101.9%	-103.1%
BRHMALCH	\$856,905	\$1,433,575	\$32,283	\$50,578	-96.2%	-96.5%
BRHMALCP	\$1,400,942	\$1,721,570	\$13,345	\$22,410	-99.0%	-98.7%
BRHMALEL	\$810,506	\$1,053,145	\$29,537	\$33,336	-96.4%	-96.8%
BRHMALEN	\$1,349,058	\$1,610,053	\$58,326	\$63,436	-95.7%	-96.1%
BRHMALEW	\$496,166	\$721,651	\$15,632	\$18,646	-96.8%	-97.4%
BRHMALFO	\$566,595	\$681,074	\$18,841	\$20,567	-96.7%	-97.0%
BRHMALFS	\$283,886	\$837,990	\$9,713	\$26,153	-96.6%	-96.9%
BRHMALHW	\$1,144,633	\$2,011,810	\$13,157	\$36,557	-98.9%	-98.2%
BRHMALMT	\$1,580,932	\$4,317,283	\$38,301	\$143,852	-97.6%	-96.7%
BRHMALOM	\$1,405,767	\$2,164,493	\$14,784	\$41,202	-98.9%	-98.1%
BRHMALOX	\$598,080	\$1,518,028	\$23,593	\$52,793	-96.1%	-96.5%
BRHMALRC	\$1,343,672	\$2,519,037	\$17,167	\$57,101	-98.7%	-97.7%
BRHMALTA	\$576,988	\$806,820	\$19,342	\$24,040	-96.6%	-97.0%
BRHMALVA	\$1,567,814	\$2,231,764	\$23,589	\$42,332	-98.5%	-98.1%
BRHMALWE	\$966,700	\$1,098,873	\$37,578	\$39,097	-96.1%	-96.4%
BRHMALWL	\$720,700	\$1,233,494	\$28,333	\$42,018	-96.1%	-96.6%
BRPTALMA	N/A	N/A	N/A	N/A	N/A	N/A
BRTOALMA	\$207,304	\$329,432	(\$11,710)	(\$20,666)	-105.6%	-106.3%
BSMRALBP	N/A	N/A	N/A	N/A	N/A	N/A
BSMRALBU	\$33,422	\$20,582	N/A	N/A	N/A	N/A
BSMRALHT	\$450,393	\$538,480	(\$992)	(\$3,282)	-100.2%	-100.6%
BSMRALMA	\$1,617,209	\$2,326,719	\$31,659	\$55,675	-98.0%	-97.6%
BYMNALMA	\$430,346	\$430,346	N/A	N/A	N/A	N/A
CALRALMA	\$103,534	\$156,541	(\$6,843)	(\$9,232)	-106.6%	-105.9%
CHBGALMA	\$91,625	\$96,769	(\$7,909)	(\$11,354)	-108.6%	-111.7%
CHLSALMA	N/A	N/A	N/A	N/A	N/A	N/A
CLANALMA	N/A	N/A	N/A	N/A	N/A	N/A
CLMBALMA	\$180,595	\$282,988	(\$2,851)	(\$3,160)	-101.6%	-101.1%
CLMNALFA	N/A	N/A	N/A	N/A	N/A	N/A
CLMNALJC	N/A	N/A	N/A	N/A	N/A	N/A
CLMNALMA	\$589,697	\$992,143	(\$9,989)	(\$26,644)	-101.7%	-102.7%
CNVIALMA	N/A	N/A	N/A	N/A	N/A	N/A
CRDVALMA	\$66,838	\$63,384	(\$9,619)	(\$12,020)	-114.4%	-119.0%
CRHLALNM	N/A	N/A	N/A	N/A	N/A	N/A
CRLDALMA	N/A	N/A	N/A	N/A	N/A	N/A
CTRNALNM	\$29,077	\$29,077	N/A	N/A	N/A	N/A
CYTNALMA	N/A	N/A	N/A	N/A	N/A	N/A
DCTRALMT	\$1,929,370	\$3,201,571	\$65,145	\$77,034	-96.6%	-97.6%
DDVLALMA	N/A	N/A	N/A	N/A	N/A	N/A
DMPLALMA	\$90,521	\$121,705	N/A	N/A	N/A	N/A
DORALMA	\$98,610	\$111,267	(\$11,448)	(\$14,683)	-111.6%	-113.2%
EUFLALMA	\$386,197	\$503,078	(\$10,673)	(\$22,767)	-102.8%	-104.5%
EUTWALBO	N/A	N/A	N/A	N/A	N/A	N/A
EUTWALMA	N/A	N/A	N/A	N/A	N/A	N/A

**COMPARISON OF BELL SOUTH WIRE CENTER NPV TO AT&T WIRE CENTER NPV
 FOR ANNUAL PRICE DECREASE, MKT SHARE OF 5 % AND STLINE PENETRATION FOR RES**

Wire Center	BellSouth Opening		AT&T Rebuttal		Percent Change	
	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV
EVRGALMA	\$7,252	\$7,252	N/A	N/A	N/A	N/A
FLRNALMA	\$705,465	\$1,107,354	(\$12,741)	(\$31,295)	-101.8%	-102.8%
FMTNALMT	(\$102,601)	(\$102,601)	N/A	N/A	N/A	N/A
FRHPALMA	\$672,539	\$865,307	\$7,283	\$752	-98.9%	-99.9%
FTDPALMA	(\$87,105)	(\$87,105)	N/A	N/A	N/A	N/A
FTPYALMA	\$338,819	\$490,929	(\$943)	(\$8,334)	-100.3%	-101.7%
GDSDALHS	\$242,725	\$287,135	(\$8,468)	(\$12,857)	-103.5%	-104.5%
GDSDALMT	\$859,211	\$1,434,675	\$24,782	\$36,234	-97.1%	-97.5%
GDSDALRD	\$346,917	\$406,362	(\$311)	(\$7,521)	-100.1%	-101.9%
GDWRALMA	N/A	N/A	N/A	N/A	N/A	N/A
GNBOALMA	\$65,315	\$87,039	N/A	N/A	N/A	N/A
GRDLALNM	\$481,203	\$560,990	\$13,808	\$11,704	-97.1%	-97.9%
GRLYALMA	N/A	N/A	N/A	N/A	N/A	N/A
GTVLALNM	\$125,626	\$314,811	(\$11,373)	(\$13,169)	-109.1%	-104.2%
GYVLALNM	\$82,560	\$90,679	(\$10,685)	(\$13,383)	-112.9%	-114.8%
HLVIALMA	\$28,322	\$28,322	N/A	N/A	N/A	N/A
HNVIALLW	\$1,291,544	\$1,499,327	\$37,627	\$36,942	-97.1%	-97.5%
HNVIALMT	\$1,490,983	\$2,531,971	\$51,077	\$57,698	-96.6%	-97.7%
HNVIALPW	\$1,380,940	\$1,854,054	\$39,767	\$38,551	-97.1%	-97.9%
HNVIALRA	\$481	\$61,181	\$22	\$954	-95.5%	-98.4%
HNVIALRW	\$52,565	\$200,437	(\$4,701)	(\$10,687)	-108.9%	-105.3%
HNVIALSD	N/A	N/A	N/A	N/A	N/A	N/A
HNVIALUN	\$1,209,975	\$2,090,783	\$38,689	\$49,103	-96.8%	-97.7%
HNVLALBR	N/A	N/A	N/A	N/A	N/A	N/A
HNVLALNM	N/A	N/A	N/A	N/A	N/A	N/A
HRBOALOM	N/A	N/A	N/A	N/A	N/A	N/A
HRTSALNM	\$348,725	\$433,682	(\$7,521)	(\$13,813)	-102.2%	-103.2%
HRTSALPE	N/A	N/A	N/A	N/A	N/A	N/A
HZGRALMA	\$223,444	\$233,301	(\$12,390)	(\$16,259)	-105.5%	-107.0%
JCSNALNM	\$122,785	\$122,785	N/A	N/A	N/A	N/A
JCVLALMA	\$178,056	\$194,504	(\$10,868)	(\$15,783)	-106.1%	-108.1%
JSPRALMT	\$585,330	\$831,032	\$4,924	\$3,192	-99.2%	-99.6%
KLLNALMA	\$62,001	\$22,445	N/A	N/A	N/A	N/A
LFYTALRS	\$80,188	\$75,932	N/A	N/A	N/A	N/A
LGTNALMA	(\$117,846)	(\$138,462)	N/A	N/A	N/A	N/A
LNDNALMA	N/A	N/A	N/A	N/A	N/A	N/A
LVTNALLA	N/A	N/A	N/A	N/A	N/A	N/A
LXTNALMA	(\$14,553)	(\$27,848)	N/A	N/A	N/A	N/A
MARNALNM	\$76,309	\$76,309	N/A	N/A	N/A	N/A
MCINALMA	(\$66,218)	(\$66,218)	N/A	N/A	N/A	N/A
MDSNALNM	(\$1,433,967)	(\$2,204,039)	(\$134,415)	(\$223,709)	-90.6%	-89.9%
MDSNALOM	N/A	N/A	N/A	N/A	N/A	N/A
MNFDALMA	\$21,854	\$9,404	(\$11,475)	(\$14,593)	-152.5%	-255.2%
MNTVALNM	\$90,745	\$129,810	(\$8,822)	(\$10,622)	-109.7%	-108.2%
MOBLALAP	\$903,546	\$1,140,536	\$16,946	\$7,786	-98.1%	-99.3%
MOBLALAZ	\$602,383	\$1,589,298	\$16,175	\$22,269	-97.3%	-98.6%
MOBLALBF	\$42,526	\$77,757	(\$8,415)	(\$15,478)	-119.8%	-119.9%
MOBLALOS	\$1,559,503	\$2,546,611	\$43,228	\$43,345	-97.2%	-98.3%
MOBLALPR	\$959,748	\$1,136,390	\$19,540	\$15,748	-98.0%	-98.6%
MOBLALSA	\$436,307	\$576,790	(\$7,955)	(\$17,570)	-101.8%	-103.0%
MOBLALSE	\$435,548	\$458,113	(\$13,024)	(\$17,999)	-103.0%	-103.9%
MOBLALSF	\$791,727	\$1,093,992	\$15,727	\$8,285	-98.0%	-99.2%
MOBLALSH	\$1,296,285	\$2,076,505	\$31,179	\$24,634	-97.6%	-98.8%
MOBLALSK	\$1,050,571	\$2,172,171	\$21,419	\$29,384	-98.0%	-98.6%
MOBLALTH	\$276,479	\$369,206	(\$1,419)	(\$7,323)	-100.5%	-102.0%

**COMPARISON OF BELL SOUTH WIRE CENTER NPV TO AT&T WIRE CENTER NPV
 FOR ANNUAL PRICE DECREASE, MKT SHARE OF 5 % AND STLINE PENETRATION FOR RES**

Wire Center	BellSouth Opening		AT&T Rebuttal		Percent Change	
	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV
MOLTALNM	N/A	N/A	N/A	N/A	N/A	N/A
MPVLALMA	N/A	N/A	N/A	N/A	N/A	N/A
MTGMALDA	\$2,162,656	\$3,630,877	(\$23,935)	(\$11,317)	-101.1%	-100.3%
MTGMALMB	\$226,711	\$257,046	(\$8,716)	(\$14,025)	-103.8%	-105.5%
MTGMALMT	\$1,387,511	\$2,798,337	\$38,521	\$59,329	-97.2%	-97.9%
MTGMALNO	\$1,273,749	\$1,783,862	\$27,657	\$29,655	-97.8%	-98.3%
MTVRALMA	(\$15,203)	(\$15,203)	N/A	N/A	N/A	N/A
OHTCALMA	N/A	N/A	N/A	N/A	N/A	N/A
OPLKALMT	\$653,638	\$946,229	N/A	N/A	N/A	N/A
PDMTALMA	\$107,779	\$85,883	N/A	N/A	N/A	N/A
PHCYALFM	N/A	N/A	N/A	N/A	N/A	N/A
PHCYALMA	N/A	N/A	N/A	N/A	N/A	N/A
PNSNALMA	\$536,019	\$597,146	\$6,138	\$4,538	-98.9%	-99.2%
PRSHALNM	N/A	N/A	N/A	N/A	N/A	N/A
PRVLALMA	\$600,622	\$842,157	\$827	(\$3,419)	-99.9%	-100.4%
RDBAALMA	\$56,066	\$25,228	N/A	N/A	N/A	N/A
RLVLALMA	\$333,447	\$375,337	N/A	N/A	N/A	N/A
RRVLALMA	\$85,886	\$66,590	N/A	N/A	N/A	N/A
SELMALMT	\$714,507	\$1,092,204	(\$12,448)	(\$22,469)	-101.7%	-102.1%
SHFDALMT	\$964,312	\$1,477,891	\$15,049	\$11,733	-98.4%	-99.2%
STSNALMA	N/A	N/A	N/A	N/A	N/A	N/A
SYLCALMT	\$474,460	\$564,719	N/A	N/A	N/A	N/A
THVLALMA	\$44,346	\$44,346	N/A	N/A	N/A	N/A
TLDGALMA	\$405,892	\$723,810	\$2,896	\$7,741	-99.3%	-98.9%
TLDGALRF	N/A	N/A	N/A	N/A	N/A	N/A
TROYALMA	\$327,908	\$448,506	(\$10,389)	(\$20,190)	-103.2%	-104.5%
TSCLALDH	\$660,922	\$985,729	\$7,242	\$9,154	-98.9%	-99.1%
TSCLALMT	\$2,084,060	\$3,317,208	\$96,475	\$133,918	-95.4%	-96.0%
TSCLALNO	(\$20,360)	(\$35,383)	N/A	N/A	N/A	N/A
TSKGALMA	N/A	N/A	N/A	N/A	N/A	N/A
TWCKALMA	N/A	N/A	N/A	N/A	N/A	N/A
UNTWALNM	(\$30,548)	(\$30,548)	N/A	N/A	N/A	N/A
VNCNALMA	N/A	N/A	N/A	N/A	N/A	N/A
WBTNALNM	N/A	N/A	N/A	N/A	N/A	N/A
WRRRALNM	\$336,119	\$349,395	\$283	(\$2,610)	-99.9%	-100.7%
WTMPALMA	\$379,947	\$531,950	(\$5,610)	(\$8,433)	-101.5%	-101.6%
YORKALMA	N/A	N/A	N/A	N/A	N/A	N/A
	\$59,795,919	\$91,648,862	\$756,739	\$911,506	-98.7%	-99.0%

**COMPARISON OF BELL SOUTH CEA NPV TO AT&T CEA NPV
FOR 10% PRICE DISCOUNT APPLIED TO ALL PRODUCTS AND BUNDLES**

UneZone	CEA	BellSouth Opening		AT&T Rebuttal		Percent Change	
		Mass Market NPV	Total NPV	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV
Zone1	Anniston AL	\$862,929	\$1,416,326	\$529,364	\$970,704	-38.7%	-31.5%
Zone2	Anniston AL	\$1,293,062	\$1,876,113	\$489,795	\$904,997	-62.1%	-51.8%
Zone3	Anniston AL	N/A	N/A	N/A	N/A	N/A	N/A
Zone3	Atlanta GA-AL-NC	\$187,967	\$161,815	\$58,262	(\$5,412)	-69.0%	-103.3%
Zone1	Birmingham AL	\$19,305,888	\$30,921,886	\$12,539,745	\$21,950,452	-35.0%	-29.0%
Zone2	Birmingham AL	\$3,120,440	\$4,142,865	\$1,145,669	\$1,855,572	-63.3%	-55.2%
Zone3	Birmingham AL	N/A	N/A	N/A	N/A	N/A	N/A
Zone1	Columbus GA-AL	\$1,075,712	\$1,468,461	\$642,516	\$947,346	-40.3%	-35.5%
Zone2	Columbus GA-AL	\$1,498,780	\$2,062,394	\$683,766	\$1,088,322	-54.4%	-47.2%
Zone3	Columbus GA-AL	N/A	N/A	N/A	N/A	N/A	N/A
Zone1	Decatur AL	\$1,929,370	\$3,201,571	\$1,232,548	\$2,256,678	-36.1%	-29.5%
Zone2	Decatur AL	\$348,725	\$433,682	\$154,777	\$207,329	-55.6%	-52.2%
Zone3	Decatur AL	N/A	N/A	N/A	N/A	N/A	N/A
Zone2	Dothan AL-FL-GA	\$386,197	\$503,078	\$209,166	\$284,947	-45.8%	-43.4%
Zone3	Dothan AL-FL-GA	N/A	N/A	N/A	N/A	N/A	N/A
Zone1	Florence AL	\$964,312	\$1,477,891	\$606,544	\$1,004,731	-37.1%	-32.0%
Zone2	Florence AL	\$705,465	\$1,107,354	\$208,001	\$486,339	-70.5%	-56.1%
Zone3	Florence AL	\$405,002	\$323,290	(\$156,650)	(\$156,650)	-138.7%	-148.5%
Zone1	Gadsden AL	\$859,211	\$1,434,675	\$529,607	\$986,470	-38.4%	-31.2%
Zone2	Gadsden AL	\$802,957	\$933,274	\$349,399	\$410,445	-56.5%	-56.0%
Zone1	Huntsville AL-TN	\$3,992,521	\$6,033,713	\$2,089,368	\$3,599,457	-47.7%	-40.3%
Zone2	Huntsville AL-TN	\$2,378,385	\$3,380,882	\$1,080,160	\$1,798,744	-54.6%	-46.8%
Zone3	Huntsville AL-TN	N/A	N/A	N/A	N/A	N/A	N/A
Zone2	Meridian MS-AL	\$90,521	\$121,705	(\$12,686)	(\$8,530)	-114.0%	-107.0%
Zone3	Meridian MS-AL	N/A	N/A	N/A	N/A	N/A	N/A
Zone1	Mobile AL	\$8,155,308	\$13,067,774	\$5,073,305	\$8,984,649	-37.8%	-31.2%
Zone2	Mobile AL	\$1,099,436	\$1,383,236	\$443,738	\$636,670	-59.6%	-54.0%
Zone3	Mobile AL	\$449,785	\$449,785	(\$194,614)	(\$194,614)	-143.3%	-143.3%
Zone1	Montgomery AL	\$4,823,916	\$8,213,076	\$3,018,211	\$5,750,908	-37.4%	-30.0%
Zone2	Montgomery AL	\$2,249,695	\$3,171,862	\$985,640	\$1,656,959	-56.2%	-47.8%
Zone3	Montgomery AL	(\$13,021)	(\$13,021)	N/A	N/A	N/A	N/A
Zone1	Tuscaloosa AL	\$2,084,060	\$3,317,208	\$1,356,362	\$2,351,984	-34.9%	-29.1%
Zone2	Tuscaloosa AL	\$660,922	\$985,729	\$265,848	\$509,077	-59.8%	-48.4%
Zone3	Tuscaloosa AL	\$78,377	\$72,238	N/A	N/A	N/A	N/A
Total		\$59,795,919	\$91,648,862	\$33,327,841	\$58,277,574	-44.3%	-36.4%

**COMPARISON OF BELL SOUTH WIRE CENTER NPV TO AT&T WIRE CENTER NPV
 FOR 10% PRICE DISCOUNT APPLIED TO ALL PRODUCTS AND BUNDLES**

Wire Center	BellSouth Opening		AT&T Rebuttal		Percent Change	
	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV
ALBSALMA	\$1,538,130	\$2,073,516	\$994,972	\$1,414,229	-35.3%	-31.8%
ALCYALMT	\$370,682	\$551,446	\$178,092	\$312,931	-52.0%	-43.3%
ALVLALMA	\$556,513	\$770,077	\$307,503	\$460,092	-44.7%	-40.3%
ANTNALLE	\$97,671	\$154,799	(\$24,032)	\$15,940	-124.6%	-89.7%
ANTNALMT	\$862,929	\$1,416,326	\$529,364	\$970,704	-38.7%	-31.5%
ANTNALOX	\$497,965	\$696,827	\$256,376	\$387,613	-48.5%	-44.4%
ATHNALER	N/A	N/A	N/A	N/A	N/A	N/A
ATHNALMA	\$853,067	\$1,212,879	\$424,247	\$701,753	-50.3%	-42.1%
ATTLALNM	\$213,315	\$239,777	\$97,877	\$111,262	-54.1%	-53.6%
AUBNALMA	\$1,075,712	\$1,468,461	\$642,516	\$947,346	-40.3%	-35.5%
BLFNALMA	\$20,276	\$18,901	(\$10,394)	(\$13,520)	-151.3%	-171.5%
BOAZALMA	\$280,916	\$358,884	\$113,253	\$159,677	-59.7%	-55.5%
BRHMALCH	\$856,905	\$1,433,575	\$541,532	\$1,013,521	-36.8%	-29.3%
BRHMALCP	\$1,400,942	\$1,721,570	\$900,698	\$1,157,294	-35.7%	-32.8%
BRHMALEL	\$810,506	\$1,053,145	\$527,202	\$715,177	-35.0%	-32.1%
BRHMALEN	\$1,349,058	\$1,610,053	\$884,683	\$1,088,555	-34.4%	-32.4%
BRHMALEW	\$496,166	\$721,651	\$305,676	\$480,673	-38.4%	-33.4%
BRHMALFO	\$566,595	\$681,074	\$355,456	\$446,315	-37.3%	-34.5%
BRHMALFS	\$283,886	\$837,990	\$173,550	\$628,180	-38.9%	-25.0%
BRHMALHW	\$1,144,633	\$2,011,810	\$760,077	\$1,450,145	-33.6%	-27.9%
BRHMALMT	\$1,580,932	\$4,317,283	\$1,068,221	\$3,333,779	-32.4%	-22.8%
BRHMALOM	\$1,405,767	\$2,164,493	\$921,996	\$1,543,824	-34.4%	-28.7%
BRHMALOX	\$598,080	\$1,518,028	\$385,129	\$1,138,134	-35.6%	-25.0%
BRHMALRC	\$1,343,672	\$2,519,037	\$886,362	\$1,847,919	-34.0%	-26.6%
BRHMALTA	\$576,988	\$806,820	\$360,916	\$543,645	-37.4%	-32.6%
BRHMALVA	\$1,567,814	\$2,231,764	\$1,021,294	\$1,549,215	-34.9%	-30.6%
BRHMALWE	\$966,700	\$1,098,873	\$638,367	\$740,574	-34.0%	-32.6%
BRHMALWL	\$720,700	\$1,233,494	\$476,762	\$890,524	-33.8%	-27.8%
BRPTALMA	N/A	N/A	N/A	N/A	N/A	N/A
BRTALMA	\$207,304	\$329,432	\$83,865	\$171,498	-59.5%	-47.9%
BSMRALBP	N/A	N/A	N/A	N/A	N/A	N/A
BSMRALBU	\$33,422	\$20,582	N/A	N/A	N/A	N/A
BSMRALHT	\$450,393	\$538,480	\$158,539	\$218,113	-64.8%	-59.5%
BSMRALMA	\$1,617,209	\$2,326,719	\$1,043,190	\$1,619,874	-35.5%	-30.4%
BYMNALMA	\$430,346	\$430,346	\$216,655	\$216,655	-49.7%	-49.7%
CALRALMA	\$103,534	\$156,541	\$31,842	\$69,470	-69.2%	-55.6%
CHBGALMA	\$91,625	\$96,769	\$23,531	\$22,085	-74.3%	-77.2%
CHLSALMA	N/A	N/A	N/A	N/A	N/A	N/A
CLANALMA	N/A	N/A	N/A	N/A	N/A	N/A
CLMBALMA	\$180,595	\$282,988	\$72,213	\$150,055	-60.0%	-47.0%
CLMNALFA	N/A	N/A	N/A	N/A	N/A	N/A
CLMNALJC	N/A	N/A	N/A	N/A	N/A	N/A
CLMNALMA	\$589,697	\$992,143	\$236,220	\$522,129	-59.9%	-47.4%
CNVIALMA	N/A	N/A	N/A	N/A	N/A	N/A
CRDVALMA	\$66,838	\$63,384	\$21,050	\$15,692	-68.5%	-75.2%
CRHLALNM	N/A	N/A	N/A	N/A	N/A	N/A
CRLDALMA	N/A	N/A	N/A	N/A	N/A	N/A
CTRNALNM	\$29,077	\$29,077	(\$32,066)	(\$32,066)	-210.3%	-210.3%

**COMPARISON OF BELL SOUTH WIRE CENTER NPV TO AT&T WIRE CENTER NPV
 FOR 10% PRICE DISCOUNT APPLIED TO ALL PRODUCTS AND BUNDLES**

Wire Center	BellSouth Opening		AT&T Rebuttal		Percent Change	
	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV
CYTNALMA	N/A	N/A	N/A	N/A	N/A	N/A
DCTRALMT	\$1,929,370	\$3,201,571	\$1,232,548	\$2,256,678	-36.1%	-29.5%
DDVLALMA	N/A	N/A	N/A	N/A	N/A	N/A
DMPLALMA	\$90,521	\$121,705	(\$12,686)	(\$8,530)	-114.0%	-107.0%
DORAALMA	\$98,610	\$111,267	(\$26,724)	(\$23,937)	-127.1%	-121.5%
EUFLALMA	\$386,197	\$503,078	\$209,166	\$284,947	-45.8%	-43.4%
EUTWALBO	N/A	N/A	N/A	N/A	N/A	N/A
EUTWALMA	N/A	N/A	N/A	N/A	N/A	N/A
EVRGALMA	\$7,252	\$7,252	(\$60,137)	(\$60,137)	-929.2%	-929.2%
FLRNALMA	\$705,465	\$1,107,354	\$208,001	\$486,339	-70.5%	-56.1%
FMTNALMT	(\$102,601)	(\$102,601)	(\$154,189)	(\$154,189)	50.3%	50.3%
FRHPALMA	\$672,539	\$865,307	\$406,731	\$552,450	-39.5%	-36.2%
FTDPALMA	(\$87,105)	(\$87,105)	N/A	N/A	N/A	N/A
FTPYALMA	\$338,819	\$490,929	\$173,983	\$273,995	-48.7%	-44.2%
GDSDALHS	\$242,725	\$287,135	\$81,281	\$106,994	-66.5%	-62.7%
GDSDALMT	\$859,211	\$1,434,675	\$529,607	\$986,470	-38.4%	-31.2%
GDSDALRD	\$346,917	\$406,362	\$170,241	\$192,189	-50.9%	-52.7%
GDWRALMA	N/A	N/A	N/A	N/A	N/A	N/A
GNBOALMA	\$65,315	\$87,039	N/A	N/A	N/A	N/A
GRDLALNM	\$481,203	\$560,990	\$293,661	\$348,876	-39.0%	-37.8%
GRLYALMA	N/A	N/A	N/A	N/A	N/A	N/A
GTVLALNM	\$125,626	\$314,811	\$420	\$141,293	-99.7%	-55.1%
GYVLALNM	\$82,560	\$90,679	(\$15,160)	(\$14,230)	-118.4%	-115.7%
HLVIALMA	\$28,322	\$28,322	N/A	N/A	N/A	N/A
HNVIALLW	\$1,291,544	\$1,499,327	\$817,084	\$980,659	-36.7%	-34.6%
HNVIALMT	\$1,490,983	\$2,531,971	\$967,569	\$1,799,286	-35.1%	-28.9%
HNVIALPW	\$1,380,940	\$1,854,054	\$869,777	\$1,240,700	-37.0%	-33.1%
HNVIALRA	\$481	\$61,181	\$325	\$51,197	-32.3%	-16.3%
HNVIALRW	\$52,565	\$200,437	\$26,359	\$141,408	-49.9%	-29.5%
HNVIALSD	N/A	N/A	N/A	N/A	N/A	N/A
HNVIALUN	\$1,209,975	\$2,090,783	\$777,517	\$1,493,508	-35.7%	-28.6%
HNVLALBR	N/A	N/A	N/A	N/A	N/A	N/A
HNVLALNM	N/A	N/A	N/A	N/A	N/A	N/A
HRBOALOM	N/A	N/A	N/A	N/A	N/A	N/A
HRTSALNM	\$348,725	\$433,682	\$154,777	\$207,329	-55.6%	-52.2%
HRTSALPE	N/A	N/A	N/A	N/A	N/A	N/A
HZGRALMA	\$223,444	\$233,301	\$60,754	\$61,933	-72.8%	-73.5%
JCSNALNM	\$122,785	\$122,785	\$9,648	\$9,648	-92.1%	-92.1%
JCVLALMA	\$178,056	\$194,504	\$41,341	\$45,727	-76.8%	-76.5%
JSPRALMT	\$585,330	\$831,032	\$253,148	\$428,943	-56.8%	-48.4%
KLLNALMA	\$62,001	\$22,445	(\$80,051)	(\$80,051)	-229.1%	-456.6%
LFY TALRS	\$80,188	\$75,932	\$24,398	(\$2,910)	-69.6%	-103.8%
LGTNALMA	(\$117,846)	(\$138,462)	(\$175,277)	(\$175,277)	48.7%	26.6%
LNDNALMA	N/A	N/A	N/A	N/A	N/A	N/A
LVTNALLA	N/A	N/A	N/A	N/A	N/A	N/A
LXTNALMA	(\$14,553)	(\$27,848)	(\$42,517)	(\$42,517)	192.2%	52.7%
MARNALNM	\$76,309	\$76,309	N/A	N/A	N/A	N/A
MCINALMA	(\$66,218)	(\$66,218)	(\$83,900)	(\$83,900)	26.7%	26.7%

**COMPARISON OF BELL SOUTH WIRE CENTER NPV TO AT&T WIRE CENTER NPV
 FOR 10% PRICE DISCOUNT APPLIED TO ALL PRODUCTS AND BUNDLES**

Wire Center	BellSouth Opening		AT&T Rebuttal		Percent Change	
	<u>Mass</u> Market NPV	<u>Total</u> NPV	<u>Mass</u> Market NPV	<u>Total</u> NPV	<u>Mass</u> Market NPV	<u>Total</u> NPV
MDSNALNM	(\$1,433,967)	(\$2,204,039)	(\$1,369,264)	(\$2,107,301)	-4.5%	-4.4%
MDSNALOM	N/A	N/A	N/A	N/A	N/A	N/A
MNFDALMA	\$21,854	\$9,404	(\$1,587)	(\$14,262)	-107.3%	-251.7%
MNTVALNM	\$90,745	\$129,810	\$7,102	\$35,121	-92.2%	-72.9%
MOBLALAP	\$903,546	\$1,140,536	\$559,647	\$735,713	-38.1%	-35.5%
MOBLALAZ	\$602,383	\$1,589,298	\$388,073	\$1,195,938	-35.6%	-24.8%
MOBLALBF	\$42,526	\$77,757	\$14,947	\$36,302	-64.9%	-53.3%
MOBLALOS	\$1,559,503	\$2,546,611	\$1,003,083	\$1,795,379	-35.7%	-29.5%
MOBLALPR	\$959,748	\$1,136,390	\$607,187	\$743,924	-36.7%	-34.5%
MOBLALSA	\$436,307	\$576,790	\$192,738	\$290,065	-55.8%	-49.7%
MOBLALSE	\$435,548	\$458,113	\$177,529	\$188,627	-59.2%	-58.8%
MOBLALSF	\$791,727	\$1,093,992	\$492,246	\$723,779	-37.8%	-33.8%
MOBLALSH	\$1,296,285	\$2,076,505	\$798,354	\$1,413,847	-38.4%	-31.9%
MOBLALSK	\$1,050,571	\$2,172,171	\$644,139	\$1,562,143	-38.7%	-28.1%
MOBLALTH	\$276,479	\$369,206	\$158,900	\$225,174	-42.5%	-39.0%
MOLTALNM	N/A	N/A	N/A	N/A	N/A	N/A
MPVLALMA	N/A	N/A	N/A	N/A	N/A	N/A
MTGMALDA	\$2,162,656	\$3,630,877	\$1,359,888	\$2,536,206	-37.1%	-30.1%
MTGMALMB	\$226,711	\$257,046	\$68,976	\$82,192	-69.6%	-68.0%
MTGMALMT	\$1,387,511	\$2,798,337	\$881,400	\$2,032,063	-36.5%	-27.4%
MTGMALNO	\$1,273,749	\$1,783,862	\$776,923	\$1,182,638	-39.0%	-33.7%
MTVRALMA	(\$15,203)	(\$15,203)	(\$56,952)	(\$56,952)	274.6%	274.6%
OHTCALMA	N/A	N/A	N/A	N/A	N/A	N/A
OPLKALMT	\$653,638	\$946,229	\$291,477	\$503,622	-55.4%	-46.8%
PDMTALMA	\$107,779	\$85,883	\$33,863	(\$2,501)	-68.6%	-102.9%
PHCYALFM	N/A	N/A	N/A	N/A	N/A	N/A
PHCYALMA	N/A	N/A	N/A	N/A	N/A	N/A
PNSNALMA	\$536,019	\$597,146	\$258,717	\$301,427	-51.7%	-49.5%
PRSHALNM	N/A	N/A	N/A	N/A	N/A	N/A
PRVLALMA	\$600,622	\$842,157	\$285,993	\$466,256	-52.4%	-44.6%
RDBAALMA	\$56,066	\$25,228	(\$469)	(\$469)	-100.8%	-101.9%
RLVLALMA	\$333,447	\$375,337	\$137,387	\$137,387	-58.8%	-63.4%
RRVLALMA	\$85,886	\$66,590	\$4,277	\$4,277	-95.0%	-93.6%
SELMALMT	\$714,507	\$1,092,204	\$314,066	\$596,978	-56.0%	-45.3%
SHFDALMT	\$964,312	\$1,477,891	\$606,544	\$1,004,731	-37.1%	-32.0%
STSNALMA	N/A	N/A	N/A	N/A	N/A	N/A
SYLCALMT	\$474,460	\$564,719	\$214,197	\$271,769	-54.9%	-51.9%
THVLALMA	\$44,346	\$44,346	(\$33,673)	(\$33,673)	-175.9%	-175.9%
TLDGALMA	\$405,892	\$723,810	\$194,166	\$447,895	-52.2%	-38.1%
TLDGALRF	N/A	N/A	N/A	N/A	N/A	N/A
TROYALMA	\$327,908	\$448,506	\$157,336	\$238,123	-52.0%	-46.9%
TSCLALDH	\$660,922	\$985,729	\$265,848	\$509,077	-59.8%	-48.4%
TSCLALMT	\$2,084,060	\$3,317,208	\$1,356,362	\$2,351,984	-34.9%	-29.1%
TSCLALNO	(\$20,360)	(\$35,383)	N/A	N/A	N/A	N/A
TSKGALMA	N/A	N/A	N/A	N/A	N/A	N/A
TWCKALMA	N/A	N/A	N/A	N/A	N/A	N/A
UNTWALNM	(\$30,548)	(\$30,548)	N/A	N/A	N/A	N/A
VNCNALMA	N/A	N/A	N/A	N/A	N/A	N/A

**COMPARISON OF BELL SOUTH WIRE CENTER NPV TO AT&T WIRE CENTER NPV
 FOR 10% PRICE DISCOUNT APPLIED TO ALL PRODUCTS AND BUNDLES**

Wire Center	BellSouth Opening		AT&T Rebuttal		Percent Change	
	<u>Mass</u>	<u>Total</u>	<u>Mass</u>	<u>Total</u>	<u>Mass</u>	<u>Total</u>
	<u>Market NPV</u>	<u>NPV</u>	<u>Market NPV</u>	<u>NPV</u>	<u>Market NPV</u>	<u>NPV</u>
WBTNALNM	N/A	N/A	N/A	N/A	N/A	N/A
WRRRALNM	\$336,119	\$349,395	\$148,723	\$152,790	-55.8%	-56.3%
WTMPALMA	\$379,947	\$531,950	\$159,269	\$273,410	-58.1%	-48.6%
YORKALMA	N/A	N/A	N/A	N/A	N/A	N/A
	\$59,795,919	\$91,648,862	\$33,327,841	\$58,277,574	-44.3%	-36.4%

**COMPARISON OF BELL SOUTH CEA NPV TO AT&T CEA NPV
FOR INCLUDING SUBSCRIPTION IN BUNDLE DISCOUNT**

UneZone	CEA	BellSouth Opening		AT&T Rebuttal		Percent Change	
		Mass Market NPV	Total NPV	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV
Zone1	Anniston AL	\$862,929	\$1,416,326	\$0	\$206,128	-100.0%	-85.4%
Zone2	Anniston AL	\$1,293,062	\$1,876,113	\$0	(\$53,497)	-100.0%	-102.9%
Zone3	Anniston AL	N/A	N/A	N/A	N/A	N/A	N/A
Zone3	Atlanta GA-AL-NC	\$187,967	\$161,815	N/A	N/A	N/A	N/A
Zone1	Birmingham AL	\$19,305,888	\$30,921,886	\$0	\$4,891,810	-100.0%	-84.2%
Zone2	Birmingham AL	\$3,120,440	\$4,142,865	\$0	(\$174,145)	-100.0%	-104.2%
Zone3	Birmingham AL	N/A	N/A	N/A	N/A	N/A	N/A
Zone1	Columbus GA-AL	\$1,075,712	\$1,468,461	\$0	\$56,217	-100.0%	-96.2%
Zone2	Columbus GA-AL	\$1,498,780	\$2,062,394	\$0	\$9,666	-100.0%	-99.5%
Zone3	Columbus GA-AL	N/A	N/A	N/A	N/A	N/A	N/A
Zone1	Decatur AL	\$1,929,370	\$3,201,571	\$0	\$445,689	-100.0%	-86.1%
Zone2	Decatur AL	\$348,725	\$433,682	\$0	(\$31,728)	-100.0%	-107.3%
Zone3	Decatur AL	N/A	N/A	N/A	N/A	N/A	N/A
Zone2	Dothan AL-FL-GA	\$386,197	\$503,078	\$0	(\$44,005)	-100.0%	-108.7%
Zone3	Dothan AL-FL-GA	N/A	N/A	N/A	N/A	N/A	N/A
Zone1	Florence AL	\$964,312	\$1,477,891	\$0	\$129,684	-100.0%	-91.2%
Zone2	Florence AL	\$705,465	\$1,107,354	\$0	\$18,901	-100.0%	-98.3%
Zone3	Florence AL	\$405,002	\$323,290	N/A	N/A	N/A	N/A
Zone1	Gadsden AL	\$859,211	\$1,434,675	\$0	\$213,632	-100.0%	-85.1%
Zone2	Gadsden AL	\$802,957	\$933,274	\$0	(\$115,701)	-100.0%	-112.4%
Zone1	Huntsville AL-TN	\$3,992,521	\$6,033,713	\$0	\$299,041	-100.0%	-95.0%
Zone2	Huntsville AL-TN	\$2,378,385	\$3,380,882	\$0	\$78,006	-100.0%	-97.7%
Zone3	Huntsville AL-TN	N/A	N/A	N/A	N/A	N/A	N/A
Zone2	Meridian MS-AL	\$90,521	\$121,705	\$0	(\$71,820)	-100.0%	-159.0%
Zone3	Meridian MS-AL	N/A	N/A	N/A	N/A	N/A	N/A
Zone1	Mobile AL	\$8,155,308	\$13,067,774	\$0	\$1,276,502	-100.0%	-90.2%
Zone2	Mobile AL	\$1,099,436	\$1,383,236	\$0	(\$145,240)	-100.0%	-110.5%
Zone3	Mobile AL	\$449,785	\$449,785	N/A	N/A	N/A	N/A
Zone1	Montgomery AL	\$4,823,916	\$8,213,076	\$0	\$1,229,469	-100.0%	-85.0%
Zone2	Montgomery AL	\$2,249,695	\$3,171,862	\$0	\$7,591	-100.0%	-99.8%
Zone3	Montgomery AL	(\$13,021)	(\$13,021)	N/A	N/A	N/A	N/A
Zone1	Tuscaloosa AL	\$2,084,060	\$3,317,208	\$0	\$526,194	-100.0%	-84.1%
Zone2	Tuscaloosa AL	\$660,922	\$985,729	\$0	\$85,811	-100.0%	-91.3%
Zone3	Tuscaloosa AL	\$78,377	\$72,238	N/A	N/A	N/A	N/A
Total		\$59,795,919	\$91,648,862	\$0	\$8,838,205	-100.0%	-90.4%

**COMPARISON OF BELL SOUTH WIRE CENTER NPV TO AT&T WIRE CENTER NPV
 FOR INCLUDING SUBSCRIPTION IN BUNDLE DISCOUNT**

Wire Center	BellSouth Opening		AT&T Rebuttal		Percent Change	
	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV
ALBSALMA	\$1,538,130	\$2,073,516	N/A	\$199,241	N/A	-90.4%
ALCYALMT	\$370,682	\$551,446	N/A	\$28,064	N/A	-94.9%
ALVLALMA	\$556,513	\$770,077	N/A	\$33,366	N/A	-95.7%
ANTNALLE	\$97,671	\$154,799	N/A	(\$23,415)	N/A	-115.1%
ANTNALMT	\$862,929	\$1,416,326	N/A	\$206,128	N/A	-85.4%
ANTNALOX	\$497,965	\$696,827	N/A	\$19,346	N/A	-97.2%
ATHNALER	N/A	N/A	N/A	N/A	N/A	N/A
ATHNALMA	\$853,067	\$1,212,879	N/A	\$81,905	N/A	-93.2%
ATTLALNM	\$213,315	\$239,777	N/A	(\$38,966)	N/A	-116.3%
AUBNALMA	\$1,075,712	\$1,468,461	N/A	\$56,217	N/A	-96.2%
BLFNALMA	\$20,276	\$18,901	N/A	(\$50,219)	N/A	-365.7%
BOAZALMA	\$280,916	\$358,884	N/A	(\$24,298)	N/A	-106.8%
BRHMALCH	\$856,905	\$1,433,575	N/A	\$249,570	N/A	-82.6%
BRHMALCP	\$1,400,942	\$1,721,570	N/A	\$109,660	N/A	-93.6%
BRHMALEL	\$810,506	\$1,053,145	N/A	\$68,916	N/A	-93.5%
BRHMALEN	\$1,349,058	\$1,610,053	N/A	\$77,955	N/A	-95.2%
BRHMALEW	\$496,166	\$721,651	N/A	\$62,111	N/A	-91.4%
BRHMALFO	\$566,595	\$681,074	N/A	\$9,773	N/A	-98.6%
BRHMALFS	\$283,886	\$837,990	N/A	\$254,431	N/A	-69.6%
BRHMALHW	\$1,144,633	\$2,011,810	N/A	\$364,596	N/A	-81.9%
BRHMALMT	\$1,580,932	\$4,317,283	N/A	\$1,355,973	N/A	-68.6%
BRHMALOM	\$1,405,767	\$2,164,493	N/A	\$333,937	N/A	-84.6%
BRHMALOX	\$598,080	\$1,518,028	N/A	\$416,019	N/A	-72.6%
BRHMALRC	\$1,343,672	\$2,519,037	N/A	\$533,647	N/A	-78.8%
BRHMALTA	\$576,988	\$806,820	N/A	\$68,809	N/A	-91.5%
BRHMALVA	\$1,567,814	\$2,231,764	N/A	\$270,382	N/A	-87.9%
BRHMALWE	\$966,700	\$1,098,873	N/A	\$15,022	N/A	-98.6%
BRHMALWL	\$720,700	\$1,233,494	N/A	\$212,315	N/A	-82.8%
BRPTALMA	N/A	N/A	N/A	N/A	N/A	N/A
BRTALMA	\$207,304	\$329,432	N/A	(\$17,388)	N/A	-105.3%
BSMRALBP	N/A	N/A	N/A	N/A	N/A	N/A
BSMRALBU	\$33,422	\$20,582	N/A	N/A	N/A	N/A
BSMRALHT	\$450,393	\$538,480	N/A	(\$14,345)	N/A	-102.7%
BSMRALMA	\$1,617,209	\$2,326,719	N/A	\$305,189	N/A	-86.9%
BYMNALMA	\$430,346	\$430,346	N/A	N/A	N/A	N/A
CALRALMA	\$103,534	\$156,541	N/A	(\$18,393)	N/A	-111.7%
CHBGALMA	\$91,625	\$96,769	N/A	(\$47,767)	N/A	-149.4%
CHLSALMA	N/A	N/A	N/A	N/A	N/A	N/A
CLANALMA	N/A	N/A	N/A	N/A	N/A	N/A
CLMBALMA	\$180,595	\$282,988	N/A	\$6,148	N/A	-97.8%
CLMNALFA	N/A	N/A	N/A	N/A	N/A	N/A
CLMNALJC	N/A	N/A	N/A	N/A	N/A	N/A
CLMNALMA	\$589,697	\$992,143	N/A	\$43,293	N/A	-95.6%
CNVIALMA	N/A	N/A	N/A	N/A	N/A	N/A
CRDVALMA	\$66,838	\$63,384	N/A	(\$51,697)	N/A	-181.6%
CRHLALNM	N/A	N/A	N/A	N/A	N/A	N/A
CRLDALMA	N/A	N/A	N/A	N/A	N/A	N/A
CTRNALNM	\$29,077	\$29,077	N/A	N/A	N/A	N/A

**COMPARISON OF BELL SOUTH WIRE CENTER NPV TO AT&T WIRE CENTER NPV
 FOR INCLUDING SUBSCRIPTION IN BUNDLE DISCOUNT**

Wire Center	BellSouth Opening		AT&T Rebuttal		Percent Change	
	<u>Mass</u> Market NPV	<u>Total</u> NPV	<u>Mass</u> Market NPV	<u>Total</u> NPV	<u>Mass</u> Market NPV	<u>Total</u> NPV
CYTNALMA	N/A	N/A	N/A	N/A	N/A	N/A
DCTRALMT	\$1,929,370	\$3,201,571	N/A	\$445,689	N/A	-86.1%
DDVLALMA	N/A	N/A	N/A	N/A	N/A	N/A
DMPLALMA	\$90,521	\$121,705	N/A	(\$71,820)	N/A	-159.0%
DORALMA	\$98,610	\$111,267	N/A	(\$45,595)	N/A	-141.0%
EUFLALMA	\$386,197	\$503,078	N/A	(\$44,005)	N/A	-108.7%
EUTWALBO	N/A	N/A	N/A	N/A	N/A	N/A
EUTWALMA	N/A	N/A	N/A	N/A	N/A	N/A
EVRGALMA	\$7,252	\$7,252	N/A	N/A	N/A	N/A
FLRNALMA	\$705,465	\$1,107,354	N/A	\$18,901	N/A	-98.3%
FMTNALMT	(\$102,601)	(\$102,601)	N/A	N/A	N/A	N/A
FRHPALMA	\$672,539	\$865,307	N/A	\$2,238	N/A	-99.7%
FTDPALMA	(\$87,105)	(\$87,105)	N/A	N/A	N/A	N/A
FTPYALMA	\$338,819	\$490,929	N/A	\$1,412	N/A	-99.7%
GDSDALHS	\$242,725	\$287,135	N/A	(\$36,309)	N/A	-112.6%
GDSDALMT	\$859,211	\$1,434,675	N/A	\$213,632	N/A	-85.1%
GDSDALRD	\$346,917	\$406,362	N/A	(\$40,426)	N/A	-109.9%
GDWRALMA	N/A	N/A	N/A	N/A	N/A	N/A
GNBOALMA	\$65,315	\$87,039	N/A	N/A	N/A	N/A
GRDLALNM	\$481,203	\$560,990	N/A	(\$15,735)	N/A	-102.8%
GRLYALMA	N/A	N/A	N/A	N/A	N/A	N/A
GTVLALNM	\$125,626	\$314,811	N/A	\$38,332	N/A	-87.8%
GYVLALNM	\$82,560	\$90,679	N/A	(\$46,071)	N/A	-150.8%
HLVIALMA	\$28,322	\$28,322	N/A	N/A	N/A	N/A
HNVIALLW	\$1,291,544	\$1,499,327	N/A	\$31,278	N/A	-97.9%
HNVIALMT	\$1,490,983	\$2,531,971	N/A	\$351,974	N/A	-86.1%
HNVIALPW	\$1,380,940	\$1,854,054	N/A	\$127,335	N/A	-93.1%
HNVIALRA	\$481	\$61,181	N/A	\$28,670	N/A	-53.1%
HNVIALRW	\$52,565	\$200,437	N/A	\$90,232	N/A	-55.0%
HNVIALSD	N/A	N/A	N/A	N/A	N/A	N/A
HNVIALUN	\$1,209,975	\$2,090,783	N/A	\$318,537	N/A	-84.8%
HNVLALBR	N/A	N/A	N/A	N/A	N/A	N/A
HNVLALNM	N/A	N/A	N/A	N/A	N/A	N/A
HRBOALOM	N/A	N/A	N/A	N/A	N/A	N/A
HRTSALNM	\$348,725	\$433,682	N/A	(\$31,728)	N/A	-107.3%
HRTSALPE	N/A	N/A	N/A	N/A	N/A	N/A
HZGRALMA	\$223,444	\$233,301	N/A	(\$52,711)	N/A	-122.6%
JCSNALNM	\$122,785	\$122,785	N/A	N/A	N/A	N/A
JCVLALMA	\$178,056	\$194,504	N/A	(\$47,392)	N/A	-124.4%
JSPRALMT	\$585,330	\$831,032	N/A	\$49,206	N/A	-94.1%
KLLNALMA	\$62,001	\$22,445	N/A	N/A	N/A	N/A
LFYTALRS	\$80,188	\$75,932	N/A	N/A	N/A	N/A
LGTNALMA	(\$117,846)	(\$138,462)	N/A	N/A	N/A	N/A
LNDNALMA	N/A	N/A	N/A	N/A	N/A	N/A
LVTNALLA	N/A	N/A	N/A	N/A	N/A	N/A
LXTNALMA	(\$14,553)	(\$27,848)	N/A	N/A	N/A	N/A
MARNALNM	\$76,309	\$76,309	N/A	N/A	N/A	N/A
MCINALMA	(\$66,218)	(\$66,218)	N/A	N/A	N/A	N/A

**COMPARISON OF BELLSOUTH WIRE CENTER NPV TO AT&T WIRE CENTER NPV
 FOR INCLUDING SUBSCRIPTION IN BUNDLE DISCOUNT**

Wire Center	BellSouth Opening		AT&T Rebuttal		Percent Change	
	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV
MDSNALNM	(\$1,433,967)	(\$2,204,039)	N/A	(\$648,985)	N/A	-70.6%
MDSNALOM	N/A	N/A	N/A	N/A	N/A	N/A
MNFDALMA	\$21,854	\$9,404	N/A	(\$58,910)	N/A	-726.5%
MNTVALNM	\$90,745	\$129,810	N/A	(\$26,838)	N/A	-120.7%
MOBLALAP	\$903,546	\$1,140,536	N/A	\$7,687	N/A	-99.3%
MOBLALAZ	\$602,383	\$1,589,298	N/A	\$344,794	N/A	-78.3%
MOBLALBF	\$42,526	\$77,757	N/A	\$24,211	N/A	-68.9%
MOBLALOS	\$1,559,503	\$2,546,611	N/A	\$291,860	N/A	-88.5%
MOBLALPR	\$959,748	\$1,136,390	N/A	\$6,338	N/A	-99.4%
MOBLALSA	\$436,307	\$576,790	N/A	(\$23,185)	N/A	-104.0%
MOBLALSE	\$435,548	\$458,113	N/A	(\$54,449)	N/A	-111.9%
MOBLALSF	\$791,727	\$1,093,992	N/A	\$40,453	N/A	-96.3%
MOBLALSH	\$1,296,285	\$2,076,505	N/A	\$196,317	N/A	-90.5%
MOBLALSK	\$1,050,571	\$2,172,171	N/A	\$386,015	N/A	-82.2%
MOBLALTH	\$276,479	\$369,206	N/A	(\$23,411)	N/A	-106.3%
MOLTALNM	N/A	N/A	N/A	N/A	N/A	N/A
MPVLALMA	N/A	N/A	N/A	N/A	N/A	N/A
MTGMALDA	\$2,162,656	\$3,630,877	N/A	\$522,583	N/A	-85.6%
MTGMALMB	\$226,711	\$257,046	N/A	(\$48,170)	N/A	-118.7%
MTGMALMT	\$1,387,511	\$2,798,337	N/A	\$549,667	N/A	-80.4%
MTGMALNO	\$1,273,749	\$1,783,862	N/A	\$157,220	N/A	-91.2%
MTVRALMA	(\$15,203)	(\$15,203)	N/A	N/A	N/A	N/A
OHTCALMA	N/A	N/A	N/A	N/A	N/A	N/A
OPLKALMT	\$653,638	\$946,229	N/A	\$2,823	N/A	-99.7%
PDMTALMA	\$107,779	\$85,883	N/A	N/A	N/A	N/A
PHCYALFM	N/A	N/A	N/A	N/A	N/A	N/A
PHCYALMA	N/A	N/A	N/A	N/A	N/A	N/A
PNSNALMA	\$536,019	\$597,146	N/A	(\$23,921)	N/A	-104.0%
PRSHALNM	N/A	N/A	N/A	N/A	N/A	N/A
PRVLALMA	\$600,622	\$842,157	N/A	\$39,029	N/A	-95.4%
RDBAALMA	\$56,066	\$25,228	N/A	N/A	N/A	N/A
RLVLALMA	\$333,447	\$375,337	N/A	N/A	N/A	N/A
RRVLALMA	\$85,886	\$66,590	N/A	N/A	N/A	N/A
SELMALMT	\$714,507	\$1,092,204	N/A	\$40,226	N/A	-96.3%
SHFDALMT	\$964,312	\$1,477,891	N/A	\$129,684	N/A	-91.2%
STSNALMA	N/A	N/A	N/A	N/A	N/A	N/A
SYLCALMT	\$474,460	\$564,719	N/A	(\$21,221)	N/A	-103.8%
THVLALMA	\$44,346	\$44,346	N/A	N/A	N/A	N/A
TLDGALMA	\$405,892	\$723,810	N/A	\$104,642	N/A	-85.5%
TLDGALRF	N/A	N/A	N/A	N/A	N/A	N/A
TROYALMA	\$327,908	\$448,506	N/A	(\$33,357)	N/A	-107.4%
TSCLALDH	\$660,922	\$985,729	N/A	\$85,811	N/A	-91.3%
TSCLALMT	\$2,084,060	\$3,317,208	N/A	\$526,194	N/A	-84.1%
TSCLALNO	(\$20,360)	(\$35,383)	N/A	N/A	N/A	N/A
TSKGALMA	N/A	N/A	N/A	N/A	N/A	N/A
TWCKALMA	N/A	N/A	N/A	N/A	N/A	N/A
UNTWALNM	(\$30,548)	(\$30,548)	N/A	N/A	N/A	N/A
VNCNALMA	N/A	N/A	N/A	N/A	N/A	N/A

**COMPARISON OF BELL SOUTH WIRE CENTER NPV TO AT&T WIRE CENTER NPV
 FOR INCLUDING SUBSCRIPTION IN BUNDLE DISCOUNT**

<u>Wire Center</u>	<u>BellSouth Opening</u>		<u>AT&T Rebuttal</u>		<u>Percent Change</u>	
	<u>Mass</u> <u>Market NPV</u>	<u>Total</u> <u>NPV</u>	<u>Mass</u> <u>Market NPV</u>	<u>Total</u> <u>NPV</u>	<u>Mass</u> <u>Market NPV</u>	<u>Total</u> <u>NPV</u>
WBTNALNM	N/A	N/A	N/A	N/A	N/A	N/A
WRRRALNM	\$336,119	\$349,395	N/A	(\$45,932)	N/A	-113.1%
WTMPALMA	\$379,947	\$531,950	N/A	\$9,863	N/A	-98.1%
YORKALMA	N/A	N/A	N/A	N/A	N/A	N/A
	\$59,795,919	\$91,648,862	\$0	\$8,838,205	-100.0%	-90.4%

**COMPARISON OF BELL SOUTH CEA NPV TO AT&T CEA NPV
FOR CHURN DECREASE OF 20 PERCENT**

UneZone	CEA	BellSouth Opening		AT&T Rebuttal		Percent Change	
		Mass Market NPV	Total NPV	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV
Zone1	Anniston AL	\$862,929	\$1,416,326	\$949,024	\$1,518,819	10.0%	7.2%
Zone2	Anniston AL	\$1,293,062	\$1,876,113	\$1,522,238	\$2,130,696	17.7%	13.6%
Zone3	Anniston AL	N/A	N/A	(\$20,575)	(\$26,943)	N/A	N/A
Zone3	Atlanta GA-AL-NC	\$187,967	\$161,815	\$224,981	\$203,612	19.7%	25.8%
Zone1	Birmingham AL	\$19,305,888	\$30,921,886	\$20,912,931	\$32,844,625	8.3%	6.2%
Zone2	Birmingham AL	\$3,120,440	\$4,142,865	\$3,701,698	\$4,775,205	18.6%	15.3%
Zone3	Birmingham AL	N/A	N/A	(\$63,371)	(\$226,528)	N/A	N/A
Zone1	Columbus GA-AL	\$1,075,712	\$1,468,461	\$1,183,073	\$1,590,183	10.0%	8.3%
Zone2	Columbus GA-AL	\$1,498,780	\$2,062,394	\$1,721,203	\$2,310,283	14.8%	12.0%
Zone3	Columbus GA-AL	N/A	N/A	\$17,780	(\$35,517)	N/A	N/A
Zone1	Decatur AL	\$1,929,370	\$3,201,571	\$2,109,053	\$3,416,978	9.3%	6.7%
Zone2	Decatur AL	\$348,725	\$433,682	\$407,788	\$497,331	16.9%	14.7%
Zone3	Decatur AL	N/A	N/A	(\$108,091)	(\$91,064)	N/A	N/A
Zone2	Dothan AL-FL-GA	\$386,197	\$503,078	\$434,270	\$558,531	12.4%	11.0%
Zone3	Dothan AL-FL-GA	N/A	N/A	N/A	N/A	N/A	N/A
Zone1	Florence AL	\$964,312	\$1,477,891	\$1,071,551	\$1,602,481	11.1%	8.4%
Zone2	Florence AL	\$705,465	\$1,107,354	\$855,732	\$1,278,962	21.3%	15.5%
Zone3	Florence AL	\$405,002	\$323,290	\$575,298	\$509,085	42.0%	57.5%
Zone1	Gadsden AL	\$859,211	\$1,434,675	\$942,851	\$1,536,658	9.7%	7.1%
Zone2	Gadsden AL	\$802,957	\$933,274	\$934,951	\$1,077,185	16.4%	15.4%
Zone1	Huntsville AL-TN	\$3,992,521	\$6,033,713	\$4,529,894	\$6,668,982	13.5%	10.5%
Zone2	Huntsville AL-TN	\$2,378,385	\$3,380,882	\$2,746,080	\$3,791,561	15.5%	12.1%
Zone3	Huntsville AL-TN	N/A	N/A	N/A	N/A	N/A	N/A
Zone2	Meridian MS-AL	\$90,521	\$121,705	\$121,227	\$157,576	33.9%	29.5%
Zone3	Meridian MS-AL	N/A	N/A	(\$52,542)	(\$124,835)	N/A	N/A
Zone1	Mobile AL	\$8,155,308	\$13,067,774	\$8,917,540	\$13,989,093	9.3%	7.1%
Zone2	Mobile AL	\$1,099,436	\$1,383,236	\$1,280,523	\$1,579,539	16.5%	14.2%
Zone3	Mobile AL	\$449,785	\$449,785	\$687,895	\$513,277	52.9%	14.1%
Zone1	Montgomery AL	\$4,823,916	\$8,213,076	\$5,303,545	\$8,793,497	9.9%	7.1%
Zone2	Montgomery AL	\$2,249,695	\$3,171,862	\$2,600,529	\$3,563,209	15.6%	12.3%
Zone3	Montgomery AL	(\$13,021)	(\$13,021)	\$34,682	\$34,682	-366.3%	-366.3%
Zone1	Tuscaloosa AL	\$2,084,060	\$3,317,208	\$2,265,517	\$3,534,467	8.7%	6.5%
Zone2	Tuscaloosa AL	\$660,922	\$985,729	\$769,435	\$1,106,873	16.4%	12.3%
Zone3	Tuscaloosa AL	\$78,377	\$72,238	\$209,943	\$219,462	167.9%	203.8%
Total		\$59,795,919	\$91,648,862	\$66,786,654	\$99,297,966	11.7%	8.3%

**COMPARISON OF BELL SOUTH WIRE CENTER NPV TO AT&T WIRE CENTER NPV
 FOR CHURN DECREASE OF 20 PERCENT**

Wire Center	BellSouth Opening		AT&T Rebuttal		Percent Change	
	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV
ALBSALMA	\$1,538,130	\$2,073,516	\$1,669,148	\$2,223,115	8.5%	7.2%
ALCYALMT	\$370,682	\$551,446	\$428,339	\$615,919	15.6%	11.7%
ALVLALMA	\$556,513	\$770,077	\$623,988	\$845,837	12.1%	9.8%
ANTNALLE	\$97,671	\$154,799	\$137,278	\$196,791	40.6%	27.1%
ANTNALMT	\$862,929	\$1,416,326	\$949,024	\$1,518,819	10.0%	7.2%
ANTNALOX	\$497,965	\$696,827	\$564,928	\$774,686	13.4%	11.2%
ATHNALER	N/A	N/A	N/A	N/A	N/A	N/A
ATHNALMA	\$853,067	\$1,212,879	\$967,663	\$1,338,991	13.4%	10.4%
ATTLALNM	\$213,315	\$239,777	\$247,147	\$275,917	15.9%	15.1%
AUBNALMA	\$1,075,712	\$1,468,461	\$1,183,073	\$1,590,183	10.0%	8.3%
BLFNALMA	\$20,276	\$18,901	\$29,533	\$28,601	45.7%	51.3%
BOAZALMA	\$280,916	\$358,884	\$329,538	\$413,213	17.3%	15.1%
BRHMALCH	\$856,905	\$1,433,575	\$931,063	\$1,523,609	8.7%	6.3%
BRHMALCP	\$1,400,942	\$1,721,570	\$1,523,852	\$1,854,143	8.8%	7.7%
BRHMALEL	\$810,506	\$1,053,145	\$877,907	\$1,129,048	8.3%	7.2%
BRHMALEN	\$1,349,058	\$1,610,053	\$1,463,144	\$1,733,081	8.5%	7.6%
BRHMALEW	\$496,166	\$721,651	\$543,724	\$777,278	9.6%	7.7%
BRHMALFO	\$566,595	\$681,074	\$619,184	\$737,242	9.3%	8.2%
BRHMALFS	\$283,886	\$837,990	\$308,717	\$875,563	8.7%	4.5%
BRHMALHW	\$1,144,633	\$2,011,810	\$1,229,230	\$2,123,470	7.4%	5.6%
BRHMALMT	\$1,580,932	\$4,317,283	\$1,701,518	\$4,497,452	7.6%	4.2%
BRHMALOM	\$1,405,767	\$2,164,493	\$1,510,899	\$2,287,849	7.5%	5.7%
BRHMALOX	\$598,080	\$1,518,028	\$646,739	\$1,590,702	8.1%	4.8%
BRHMALRC	\$1,343,672	\$2,519,037	\$1,442,863	\$2,648,112	7.4%	5.1%
BRHMALTA	\$576,988	\$806,820	\$632,290	\$869,817	9.6%	7.8%
BRHMALVA	\$1,567,814	\$2,231,764	\$1,697,297	\$2,382,189	8.3%	6.7%
BRHMALWE	\$966,700	\$1,098,873	\$1,044,858	\$1,181,769	8.1%	7.5%
BRHMALWL	\$720,700	\$1,233,494	\$775,688	\$1,303,088	7.6%	5.6%
BRPTALMA	N/A	N/A	N/A	N/A	N/A	N/A
BRTALMA	\$207,304	\$329,432	\$241,536	\$369,196	16.5%	12.1%
BSMRALBP	N/A	N/A	(\$104,903)	(\$117,983)	N/A	N/A
BSMRALBU	\$33,422	\$20,582	\$57,512	\$46,032	72.1%	123.7%
BSMRALHT	\$450,393	\$538,480	\$534,657	\$627,326	18.7%	16.5%
BSMRALMA	\$1,617,209	\$2,326,719	\$1,765,810	\$2,493,683	9.2%	7.2%
BYMNALMA	\$430,346	\$430,346	\$486,583	\$459,859	13.1%	6.9%
CALRALMA	\$103,534	\$156,541	\$124,762	\$180,386	20.5%	15.2%
CHBGALMA	\$91,625	\$96,769	\$109,948	\$116,329	20.0%	20.2%
CHLSALMA	N/A	N/A	\$68,463	\$42,859	N/A	N/A
CLANALMA	N/A	N/A	\$115,482	\$122,543	N/A	N/A
CLMBALMA	\$180,595	\$282,988	\$214,125	\$319,778	18.6%	13.0%
CLMNALFA	N/A	N/A	(\$148,924)	(\$171,693)	N/A	N/A
CLMNALJC	N/A	N/A	(\$162,495)	(\$172,979)	N/A	N/A
CLMNALMA	\$589,697	\$992,143	\$691,449	\$1,112,858	17.3%	12.2%
CNVIALMA	N/A	N/A	\$126,623	\$114,933	N/A	N/A
CRDVALMA	\$66,838	\$63,384	\$80,746	\$77,697	20.8%	22.6%
CRHLALNM	N/A	N/A	\$55,098	\$34,941	N/A	N/A
CRLDALMA	N/A	N/A	(\$103,789)	(\$107,680)	N/A	N/A
CTRNALNM	\$29,077	\$29,077	\$52,388	\$30,382	80.2%	4.5%

**COMPARISON OF BELL SOUTH WIRE CENTER NPV TO AT&T WIRE CENTER NPV
 FOR CHURN DECREASE OF 20 PERCENT**

Wire Center	BellSouth Opening		AT&T Rebuttal		Percent Change	
	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV
CYTNALMA	N/A	N/A	N/A	N/A	N/A	N/A
DCTRALMT	\$1,929,370	\$3,201,571	\$2,109,053	\$3,416,978	9.3%	6.7%
DDVLALMA	N/A	N/A	(\$118,894)	(\$169,294)	N/A	N/A
DMPLALMA	\$90,521	\$121,705	\$121,227	\$157,576	33.9%	29.5%
DORALMA	\$98,610	\$111,267	\$140,056	\$154,605	42.0%	38.9%
EUFLALMA	\$386,197	\$503,078	\$434,270	\$558,531	12.4%	11.0%
EUTWALBO	N/A	N/A	(\$9,080)	(\$9,080)	N/A	N/A
EUTWALMA	N/A	N/A	\$86,795	\$60,286	N/A	N/A
EVRLALMA	\$7,252	\$7,252	\$38,118	\$41,928	425.6%	478.1%
FLRNALMA	\$705,465	\$1,107,354	\$855,732	\$1,278,962	21.3%	15.5%
FMTNALMT	(\$102,601)	(\$102,601)	(\$77,513)	(\$93,877)	-24.5%	-8.5%
FRHPALMA	\$672,539	\$865,307	\$736,932	\$938,476	9.6%	8.5%
FTDPALMA	(\$87,105)	(\$87,105)	(\$76,108)	(\$76,108)	-12.6%	-12.6%
FTPYALMA	\$338,819	\$490,929	\$381,795	\$542,372	12.7%	10.5%
GDSDALHS	\$242,725	\$287,135	\$292,897	\$340,827	20.7%	18.7%
GDSDALMT	\$859,211	\$1,434,675	\$942,851	\$1,536,658	9.7%	7.1%
GDSDALRD	\$346,917	\$406,362	\$394,907	\$460,441	13.8%	13.3%
GDWRALMA	N/A	N/A	(\$706)	(\$15,009)	N/A	N/A
GNBOALMA	\$65,315	\$87,039	\$87,651	\$112,981	34.2%	29.8%
GRDLALNM	\$481,203	\$560,990	\$529,001	\$613,417	9.9%	9.3%
GRLYALMA	N/A	N/A	N/A	N/A	N/A	N/A
GTVLALNM	\$125,626	\$314,811	\$165,550	\$362,033	31.8%	15.0%
GYVLALNM	\$82,560	\$90,679	\$114,876	\$124,497	39.1%	37.3%
HLVIALMA	\$28,322	\$28,322	\$39,687	\$39,687	40.1%	40.1%
HNVIALLW	\$1,291,544	\$1,499,327	\$1,412,168	\$1,627,309	9.3%	8.5%
HNVIALMT	\$1,490,983	\$2,531,971	\$1,621,172	\$2,694,631	8.7%	6.4%
HNVIALPW	\$1,380,940	\$1,854,054	\$1,515,922	\$2,006,029	9.8%	8.2%
HNVIALRA	\$481	\$61,181	\$509	\$62,100	5.8%	1.5%
HNVIALRW	\$52,565	\$200,437	\$59,552	\$212,774	13.3%	6.2%
HNVIALSD	N/A	N/A	N/A	N/A	N/A	N/A
HNVIALUN	\$1,209,975	\$2,090,783	\$1,313,669	\$2,219,042	8.6%	6.1%
HNVLALBR	N/A	N/A	(\$63,523)	(\$82,063)	N/A	N/A
HNVLALNM	N/A	N/A	\$31,906	\$36,283	N/A	N/A
HRBOALOM	N/A	N/A	(\$69,478)	(\$85,324)	N/A	N/A
HRTSALNM	\$348,725	\$433,682	\$407,788	\$497,331	16.9%	14.7%
HRTSALPE	N/A	N/A	(\$45,320)	(\$59,501)	N/A	N/A
HZGRALMA	\$223,444	\$233,301	\$277,546	\$289,115	24.2%	23.9%
JCSNALNM	\$122,785	\$122,785	\$163,534	\$126,674	33.2%	3.2%
JCVLALMA	\$178,056	\$194,504	\$221,650	\$240,788	24.5%	23.8%
JSPRALMT	\$585,330	\$831,032	\$677,138	\$934,309	15.7%	12.4%
KLLNALMA	\$62,001	\$22,445	\$108,098	\$70,689	74.3%	214.9%
LFYTALRS	\$80,188	\$75,932	\$95,921	\$94,371	19.6%	24.3%
LGTNALMA	(\$117,846)	(\$138,462)	(\$96,911)	(\$116,977)	-17.8%	-15.5%
LNDNALMA	N/A	N/A	(\$149,905)	(\$168,009)	N/A	N/A
LVTNALLA	N/A	N/A	\$1,724	(\$2,576)	N/A	N/A
LXTNALMA	(\$14,553)	(\$27,848)	(\$5,483)	(\$18,438)	-62.3%	-33.8%
MARNALNM	\$76,309	\$76,309	\$91,342	\$91,342	19.7%	19.7%
MCINALMA	(\$66,218)	(\$66,218)	(\$55,180)	(\$69,228)	-16.7%	4.5%

**COMPARISON OF BELL SOUTH WIRE CENTER NPV TO AT&T WIRE CENTER NPV
 FOR CHURN DECREASE OF 20 PERCENT**

Wire Center	BellSouth Opening		AT&T Rebuttal		Percent Change	
	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV
MDSNALNM	(\$1,433,967)	(\$2,204,039)	(\$1,393,098)	(\$2,152,903)	-2.9%	-2.3%
MDSNALOM	N/A	N/A	N/A	N/A	N/A	N/A
MNFDALMA	\$21,854	\$9,404	\$28,268	\$15,976	29.4%	69.9%
MNTVALNM	\$90,745	\$129,810	\$117,014	\$157,557	28.9%	21.4%
MOBLALAP	\$903,546	\$1,140,536	\$986,504	\$1,235,034	9.2%	8.3%
MOBLALAZ	\$602,383	\$1,589,298	\$650,517	\$1,661,799	8.0%	4.6%
MOBLALBF	\$42,526	\$77,757	\$49,579	\$87,774	16.6%	12.9%
MOBLALOS	\$1,559,503	\$2,546,611	\$1,697,075	\$2,714,695	8.8%	6.6%
MOBLALPR	\$959,748	\$1,136,390	\$1,047,850	\$1,230,942	9.2%	8.3%
MOBLALSA	\$436,307	\$576,790	\$501,309	\$648,876	14.9%	12.5%
MOBLALSE	\$435,548	\$458,113	\$508,146	\$532,866	16.7%	16.3%
MOBLALSF	\$791,727	\$1,093,992	\$860,375	\$1,175,388	8.7%	7.4%
MOBLALSH	\$1,296,285	\$2,076,505	\$1,422,507	\$2,229,225	9.7%	7.4%
MOBLALSK	\$1,050,571	\$2,172,171	\$1,157,659	\$2,309,453	10.2%	6.3%
MOBLALTH	\$276,479	\$369,206	\$308,542	\$406,308	11.6%	10.0%
MOLTALNM	N/A	N/A	\$164,291	\$208,150	N/A	N/A
MPVLALMA	N/A	N/A	(\$38,123)	(\$52,995)	N/A	N/A
MTGMALDA	\$2,162,656	\$3,630,877	\$2,371,480	\$3,887,375	9.7%	7.1%
MTGMALMB	\$226,711	\$257,046	\$270,728	\$304,574	19.4%	18.5%
MTGMALMT	\$1,387,511	\$2,798,337	\$1,520,008	\$2,966,951	9.5%	6.0%
MTGMALNO	\$1,273,749	\$1,783,862	\$1,412,057	\$1,939,171	10.9%	8.7%
MTVRALMA	(\$15,203)	(\$15,203)	\$2,544	\$907	-116.7%	-106.0%
OHTCALMA	N/A	N/A	\$32,305	\$13,919	N/A	N/A
OPLKALMT	\$653,638	\$946,229	\$748,923	\$1,054,514	14.6%	11.4%
PDMTALMA	\$107,779	\$85,883	\$129,061	\$109,240	19.7%	27.2%
PHCYALFM	N/A	N/A	N/A	N/A	N/A	N/A
PHCYALMA	N/A	N/A	N/A	N/A	N/A	N/A
PNSNALMA	\$536,019	\$597,146	\$611,426	\$675,598	14.1%	13.1%
PRSHALNM	N/A	N/A	\$6,804	(\$6,993)	N/A	N/A
PRVLALMA	\$600,622	\$842,157	\$687,119	\$938,242	14.4%	11.4%
RDBAALMA	\$56,066	\$25,228	\$73,549	\$44,559	31.2%	76.6%
RLVLALMA	\$333,447	\$375,337	\$386,198	\$437,519	15.8%	16.6%
RRVLALMA	\$85,886	\$66,590	\$109,847	\$91,733	27.9%	37.8%
SELMALMT	\$714,507	\$1,092,204	\$824,660	\$1,217,152	15.4%	11.4%
SHFDALMT	\$964,312	\$1,477,891	\$1,071,551	\$1,602,481	11.1%	8.4%
STSNALMA	N/A	N/A	N/A	N/A	N/A	N/A
SYLCALMT	\$474,460	\$564,719	\$543,941	\$639,849	14.6%	13.3%
THVLALMA	\$44,346	\$44,346	\$77,420	\$16,633	74.6%	-62.5%
TLDGALMA	\$405,892	\$723,810	\$460,167	\$786,126	13.4%	8.6%
TLDGALRF	N/A	N/A	(\$52,880)	(\$40,862)	N/A	N/A
TROYALMA	\$327,908	\$448,506	\$374,824	\$502,182	14.3%	12.0%
TSCLALDH	\$660,922	\$985,729	\$769,435	\$1,106,873	16.4%	12.3%
TSCLALMT	\$2,084,060	\$3,317,208	\$2,265,517	\$3,534,467	8.7%	6.5%
TSCLALNO	(\$20,360)	(\$35,383)	\$64,780	\$60,449	-418.2%	-270.8%
TSKGALMA	N/A	N/A	\$206,858	\$234,110	N/A	N/A
TWCKALMA	N/A	N/A	(\$123,274)	(\$132,033)	N/A	N/A
UNTWALNM	(\$30,548)	(\$30,548)	(\$20,240)	(\$20,240)	-33.7%	-33.7%
VNCNALMA	N/A	N/A	\$9,166	(\$5,801)	N/A	N/A

**COMPARISON OF BELL SOUTH WIRE CENTER NPV TO AT&T WIRE CENTER NPV
 FOR CHURN DECREASE OF 20 PERCENT**

Wire Center	BellSouth Opening		AT&T Rebuttal		Percent Change	
	<u>Mass</u> <u>Market NPV</u>	<u>Total</u> <u>NPV</u>	<u>Mass</u> <u>Market NPV</u>	<u>Total</u> <u>NPV</u>	<u>Mass</u> <u>Market NPV</u>	<u>Total</u> <u>NPV</u>
WBTNALNM	N/A	N/A	\$41,056	\$32,421	N/A	N/A
WRRRALNM	\$336,119	\$349,395	\$395,450	\$410,595	17.7%	17.5%
WTMPALMA	\$379,947	\$531,950	\$443,198	\$601,059	16.6%	13.0%
YORKALMA	N/A	N/A	\$17,923	(\$5,457)	N/A	N/A
	\$59,795,919	\$91,648,862	\$66,786,654	\$99,297,966	11.7%	8.3%

**COMPARISON OF BELL SOUTH CEA NPV TO AT&T CEA NPV
 FOR CHURN INCREASE OF 25 PERCENT**

UneZone	CEA	BellSouth Opening		AT&T Rebuttal		Percent Change	
		Mass Market NPV	Total NPV	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV
Zone1	Anniston AL	\$862,929	\$1,416,326	\$766,650	\$1,298,688	-11.2%	-8.3%
Zone2	Anniston AL	\$1,293,062	\$1,876,113	\$1,042,836	\$1,594,709	-19.4%	-15.0%
Zone3	Anniston AL	N/A	N/A	N/A	N/A	N/A	N/A
Zone3	Atlanta GA-AL-NC	\$187,967	\$161,815	\$147,978	\$119,024	-21.3%	-26.4%
Zone1	Birmingham AL	\$19,305,888	\$30,921,886	\$17,493,571	\$28,691,365	-9.4%	-7.2%
Zone2	Birmingham AL	\$3,120,440	\$4,142,865	\$2,491,856	\$3,453,636	-20.1%	-16.6%
Zone3	Birmingham AL	N/A	N/A	N/A	N/A	N/A	N/A
Zone1	Columbus GA-AL	\$1,075,712	\$1,468,461	\$960,790	\$1,336,207	-10.7%	-9.0%
Zone2	Columbus GA-AL	\$1,498,780	\$2,062,394	\$1,258,321	\$1,791,542	-16.0%	-13.1%
Zone3	Columbus GA-AL	N/A	N/A	N/A	N/A	N/A	N/A
Zone1	Decatur AL	\$1,929,370	\$3,201,571	\$1,737,545	\$2,964,782	-9.9%	-7.4%
Zone2	Decatur AL	\$348,725	\$433,682	\$287,771	\$367,517	-17.5%	-15.3%
Zone3	Decatur AL	N/A	N/A	N/A	N/A	N/A	N/A
Zone2	Dothan AL-FL-GA	\$386,197	\$503,078	\$333,835	\$442,392	-13.6%	-12.1%
Zone3	Dothan AL-FL-GA	N/A	N/A	N/A	N/A	N/A	N/A
Zone1	Florence AL	\$964,312	\$1,477,891	\$850,844	\$1,343,087	-11.8%	-9.1%
Zone2	Florence AL	\$705,465	\$1,107,354	\$550,914	\$928,182	-21.9%	-16.2%
Zone3	Florence AL	\$405,002	\$323,290	\$231,502	\$140,869	-42.8%	-56.4%
Zone1	Gadsden AL	\$859,211	\$1,434,675	\$765,551	\$1,317,311	-10.9%	-8.2%
Zone2	Gadsden AL	\$802,957	\$933,274	\$658,329	\$774,879	-18.0%	-17.0%
Zone1	Huntsville AL-TN	\$3,992,521	\$6,033,713	\$3,432,520	\$5,359,695	-14.0%	-11.2%
Zone2	Huntsville AL-TN	\$2,378,385	\$3,380,882	\$1,983,522	\$2,934,094	-16.6%	-13.2%
Zone3	Huntsville AL-TN	N/A	N/A	N/A	N/A	N/A	N/A
Zone2	Meridian MS-AL	\$90,521	\$121,705	\$58,079	\$83,798	-35.8%	-31.1%
Zone3	Meridian MS-AL	N/A	N/A	N/A	N/A	N/A	N/A
Zone1	Mobile AL	\$8,155,308	\$13,067,774	\$7,282,160	\$11,991,159	-10.7%	-8.2%
Zone2	Mobile AL	\$1,099,436	\$1,383,236	\$896,076	\$1,161,824	-18.5%	-16.0%
Zone3	Mobile AL	\$449,785	\$449,785	\$258,558	\$258,558	-42.5%	-42.5%
Zone1	Montgomery AL	\$4,823,916	\$8,213,076	\$4,296,123	\$7,557,761	-10.9%	-8.0%
Zone2	Montgomery AL	\$2,249,695	\$3,171,862	\$1,874,807	\$2,749,326	-16.7%	-13.3%
Zone3	Montgomery AL	(\$13,021)	(\$13,021)	(\$62,276)	(\$62,276)	378.3%	378.3%
Zone1	Tuscaloosa AL	\$2,084,060	\$3,317,208	\$1,879,342	\$3,065,488	-9.8%	-7.6%
Zone2	Tuscaloosa AL	\$660,922	\$985,729	\$542,674	\$851,716	-17.9%	-13.6%
Zone3	Tuscaloosa AL	\$78,377	\$72,238	(\$60,729)	(\$76,479)	-177.5%	-205.9%
Total		\$59,795,919	\$91,648,862	\$51,959,148	\$82,438,854	-13.1%	-10.0%

**COMPARISON OF BELL SOUTH WIRE CENTER NPV TO AT&T WIRE CENTER NPV
 FOR CHURN INCREASE OF 25 PERCENT**

Wire Center	BellSouth Opening		AT&T Rebuttal		Percent Change	
	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV
ALBSALMA	\$1,538,130	\$2,073,516	\$1,390,411	\$1,902,121	-9.6%	-8.3%
ALCYALMT	\$370,682	\$551,446	\$306,945	\$479,190	-17.2%	-13.1%
ALVLALMA	\$556,513	\$770,077	\$482,175	\$685,493	-13.4%	-11.0%
ANTNALLE	\$97,671	\$154,799	\$54,978	\$109,201	-43.7%	-29.5%
ANTNALMT	\$862,929	\$1,416,326	\$766,650	\$1,298,688	-11.2%	-8.3%
ANTNALOX	\$497,965	\$696,827	\$424,579	\$610,339	-14.7%	-12.4%
ATHNALER	N/A	N/A	N/A	N/A	N/A	N/A
ATHNALMA	\$853,067	\$1,212,879	\$733,656	\$1,079,442	-14.0%	-11.0%
ATTLALNM	\$213,315	\$239,777	\$176,014	\$199,819	-17.5%	-16.7%
AUBNALMA	\$1,075,712	\$1,468,461	\$960,790	\$1,336,207	-10.7%	-9.0%
BLFNALMA	\$20,276	\$18,901	\$9,977	\$8,132	-50.8%	-57.0%
BOAZALMA	\$280,916	\$358,884	\$227,324	\$298,622	-19.1%	-16.8%
BRHMALCH	\$856,905	\$1,433,575	\$773,700	\$1,329,248	-9.7%	-7.3%
BRHMALCP	\$1,400,942	\$1,721,570	\$1,263,102	\$1,571,157	-9.8%	-8.7%
BRHMALEL	\$810,506	\$1,053,145	\$734,664	\$966,527	-9.4%	-8.2%
BRHMALEN	\$1,349,058	\$1,610,053	\$1,220,415	\$1,470,022	-9.5%	-8.7%
BRHMALEW	\$496,166	\$721,651	\$442,958	\$658,211	-10.7%	-8.8%
BRHMALFO	\$566,595	\$681,074	\$507,862	\$617,700	-10.4%	-9.3%
BRHMALFS	\$283,886	\$837,990	\$256,052	\$792,804	-9.8%	-5.4%
BRHMALHW	\$1,144,633	\$2,011,810	\$1,048,306	\$1,880,427	-8.4%	-6.5%
BRHMALMT	\$1,580,932	\$4,317,283	\$1,443,121	\$4,097,262	-8.7%	-5.1%
BRHMALOM	\$1,405,767	\$2,164,493	\$1,286,894	\$2,020,977	-8.5%	-6.6%
BRHMALOX	\$598,080	\$1,518,028	\$542,984	\$1,430,762	-9.2%	-5.7%
BRHMALRC	\$1,343,672	\$2,519,037	\$1,231,149	\$2,366,391	-8.4%	-6.1%
BRHMALTA	\$576,988	\$806,820	\$515,050	\$734,994	-10.7%	-8.9%
BRHMALVA	\$1,567,814	\$2,231,764	\$1,421,722	\$2,058,589	-9.3%	-7.8%
BRHMALWE	\$966,700	\$1,098,873	\$878,832	\$1,005,018	-9.1%	-8.5%
BRHMALWL	\$720,700	\$1,233,494	\$658,443	\$1,152,004	-8.6%	-6.6%
BRPTALMA	N/A	N/A	N/A	N/A	N/A	N/A
BRTALMA	\$207,304	\$329,432	\$168,103	\$283,533	-18.9%	-13.9%
BSMRALBP	N/A	N/A	N/A	N/A	N/A	N/A
BSMRALBU	\$33,422	\$20,582	\$7,743	(\$6,000)	-76.8%	-129.2%
BSMRALHT	\$450,393	\$538,480	\$358,885	\$441,474	-20.3%	-18.0%
BSMRALMA	\$1,617,209	\$2,326,719	\$1,449,987	\$2,135,016	-10.3%	-8.2%
BYMNALMA	\$430,346	\$430,346	\$374,531	\$374,531	-13.0%	-13.0%
CALRALMA	\$103,534	\$156,541	\$80,309	\$130,134	-22.4%	-16.9%
CHBGALMA	\$91,625	\$96,769	\$71,538	\$75,316	-21.9%	-22.2%
CHLSALMA	N/A	N/A	N/A	N/A	N/A	N/A
CLANALMA	N/A	N/A	N/A	N/A	N/A	N/A
CLMBALMA	\$180,595	\$282,988	\$143,827	\$242,075	-20.4%	-14.5%
CLMNALFA	N/A	N/A	N/A	N/A	N/A	N/A
CLMNALJC	N/A	N/A	N/A	N/A	N/A	N/A
CLMNALMA	\$589,697	\$992,143	\$484,631	\$865,058	-17.8%	-12.8%
CNVIALMA	N/A	N/A	N/A	N/A	N/A	N/A
CRDVALMA	\$66,838	\$63,384	\$51,626	\$47,764	-22.8%	-24.6%
CRHLALNM	N/A	N/A	N/A	N/A	N/A	N/A
CRLDALMA	N/A	N/A	N/A	N/A	N/A	N/A
CTRNALNM	\$29,077	\$29,077	\$9,492	\$9,492	-67.4%	-67.4%

**COMPARISON OF BELL SOUTH WIRE CENTER NPV TO AT&T WIRE CENTER NPV
 FOR CHURN INCREASE OF 25 PERCENT**

Wire Center	BellSouth Opening		AT&T Rebuttal		Percent Change	
	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV
CYTNALMA	N/A	N/A	N/A	N/A	N/A	N/A
DCTRALMT	\$1,929,370	\$3,201,571	\$1,737,545	\$2,964,782	-9.9%	-7.4%
DDVLALMA	N/A	N/A	N/A	N/A	N/A	N/A
DMPLALMA	\$90,521	\$121,705	\$58,079	\$83,798	-35.8%	-31.1%
DORALMA	\$98,610	\$111,267	\$53,857	\$64,397	-45.4%	-42.1%
EUFLALMA	\$386,197	\$503,078	\$333,835	\$442,392	-13.6%	-12.1%
EUTWALBO	N/A	N/A	N/A	N/A	N/A	N/A
EUTWALMA	N/A	N/A	N/A	N/A	N/A	N/A
EVRGALMA	\$7,252	\$7,252	(\$13,425)	(\$13,425)	-285.1%	-285.1%
FLRNALMA	\$705,465	\$1,107,354	\$550,914	\$928,182	-21.9%	-16.2%
FMTNALMT	(\$102,601)	(\$102,601)	(\$121,981)	(\$121,981)	18.9%	18.9%
FRHPALMA	\$672,539	\$865,307	\$599,184	\$781,166	-10.9%	-9.7%
FTDPALMA	(\$87,105)	(\$87,105)	(\$97,901)	(\$97,901)	12.4%	12.4%
FTPYALMA	\$338,819	\$490,929	\$290,788	\$432,824	-14.2%	-11.8%
GDSDALHS	\$242,725	\$287,135	\$187,838	\$228,150	-22.6%	-20.5%
GDSDALMT	\$859,211	\$1,434,675	\$765,551	\$1,317,311	-10.9%	-8.2%
GDSDALRD	\$346,917	\$406,362	\$294,478	\$346,910	-15.1%	-14.6%
GDWRALMA	N/A	N/A	N/A	N/A	N/A	N/A
GNBOALMA	\$65,315	\$87,039	\$41,808	\$61,361	-36.0%	-29.5%
GRDLALNM	\$481,203	\$560,990	\$427,920	\$502,136	-11.1%	-10.5%
GRLYALMA	N/A	N/A	N/A	N/A	N/A	N/A
GTVLALNM	\$125,626	\$314,811	\$82,249	\$262,328	-34.5%	-16.7%
GYVLALNM	\$82,560	\$90,679	\$47,688	\$54,137	-42.2%	-40.3%
HLVIALMA	\$28,322	\$28,322	\$16,326	\$16,326	-42.4%	-42.4%
HNVIALW	\$1,291,544	\$1,499,327	\$1,163,673	\$1,362,449	-9.9%	-9.1%
HNVIALMT	\$1,490,983	\$2,531,971	\$1,351,513	\$2,352,121	-9.4%	-7.1%
HNVIALPW	\$1,380,940	\$1,854,054	\$1,237,632	\$1,690,011	-10.4%	-8.8%
HNVIALRA	\$481	\$61,181	\$448	\$59,881	-6.8%	-2.1%
HNVIALRW	\$52,565	\$200,437	\$45,217	\$186,542	-14.0%	-6.9%
HNVIALSD	N/A	N/A	N/A	N/A	N/A	N/A
HNVIALUN	\$1,209,975	\$2,090,783	\$1,099,426	\$1,949,012	-9.1%	-6.8%
HNVLALBR	N/A	N/A	N/A	N/A	N/A	N/A
HNVLALNM	N/A	N/A	N/A	N/A	N/A	N/A
HRBOALOM	N/A	N/A	N/A	N/A	N/A	N/A
HRTSALNM	\$348,725	\$433,682	\$287,771	\$367,517	-17.5%	-15.3%
HRTSALPE	N/A	N/A	N/A	N/A	N/A	N/A
HZGRALMA	\$223,444	\$233,301	\$167,330	\$175,384	-25.1%	-24.8%
JCSNALNM	\$122,785	\$122,785	\$89,258	\$89,258	-27.3%	-27.3%
JCVLALMA	\$178,056	\$194,504	\$130,589	\$143,993	-26.7%	-26.0%
JSPRALMT	\$585,330	\$831,032	\$484,645	\$716,351	-17.2%	-13.8%
KLLNALMA	\$62,001	\$22,445	\$15,365	(\$25,301)	-75.2%	-212.7%
LFYTALRS	\$80,188	\$75,932	\$63,405	\$57,534	-20.9%	-24.2%
LGTNALMA	(\$117,846)	(\$138,462)	(\$138,080)	(\$158,907)	17.2%	14.8%
LNDNALMA	N/A	N/A	N/A	N/A	N/A	N/A
LVTNALLA	N/A	N/A	N/A	N/A	N/A	N/A
LXTNALMA	(\$14,553)	(\$27,848)	(\$23,564)	(\$36,974)	61.9%	32.8%
MARNALNM	\$76,309	\$76,309	\$60,278	\$60,278	-21.0%	-21.0%
MCINALMA	(\$66,218)	(\$66,218)	(\$72,019)	(\$72,019)	8.8%	8.8%

**COMPARISON OF BELL SOUTH WIRE CENTER NPV TO AT&T WIRE CENTER NPV
 FOR CHURN INCREASE OF 25 PERCENT**

Wire Center	BellSouth Opening		AT&T Rebuttal		Percent Change	
	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV
MDSNALNM	(\$1,433,967)	(\$2,204,039)	(\$1,465,389)	(\$2,240,322)	2.2%	1.6%
MDSNALOM	N/A	N/A	N/A	N/A	N/A	N/A
MNFDALMA	\$21,854	\$9,404	\$14,917	\$2,386	-31.7%	-74.6%
MNTVALNM	\$90,745	\$129,810	\$62,247	\$99,481	-31.4%	-23.4%
MOBLALAP	\$903,546	\$1,140,536	\$808,604	\$1,031,546	-10.5%	-9.6%
MOBLALAZ	\$602,383	\$1,589,298	\$546,717	\$1,501,143	-9.2%	-5.5%
MOBLALBF	\$42,526	\$77,757	\$34,444	\$66,224	-19.0%	-14.8%
MOBLALOS	\$1,559,503	\$2,546,611	\$1,401,568	\$2,349,342	-10.1%	-7.7%
MOBLALPR	\$959,748	\$1,136,390	\$859,222	\$1,027,796	-10.5%	-9.6%
MOBLALSA	\$436,307	\$576,790	\$363,589	\$495,638	-16.7%	-14.1%
MOBLALSE	\$435,548	\$458,113	\$354,406	\$374,520	-18.6%	-18.2%
MOBLALSF	\$791,727	\$1,093,992	\$713,116	\$999,588	-9.9%	-8.6%
MOBLALSH	\$1,296,285	\$2,076,505	\$1,151,968	\$1,898,582	-11.1%	-8.6%
MOBLALSK	\$1,050,571	\$2,172,171	\$928,109	\$2,009,863	-11.7%	-7.5%
MOBLALTH	\$276,479	\$369,206	\$239,228	\$325,910	-13.5%	-11.7%
MOLTALNM	N/A	N/A	N/A	N/A	N/A	N/A
MPVLALMA	N/A	N/A	N/A	N/A	N/A	N/A
MTGMALDA	\$2,162,656	\$3,630,877	\$1,932,869	\$3,341,356	-10.6%	-8.0%
MTGMALMB	\$226,711	\$257,046	\$180,097	\$206,565	-20.6%	-19.6%
MTGMALMT	\$1,387,511	\$2,798,337	\$1,241,425	\$2,605,613	-10.5%	-6.9%
MTGMALNO	\$1,273,749	\$1,783,862	\$1,121,829	\$1,610,792	-11.9%	-9.7%
MTVRALMA	(\$15,203)	(\$15,203)	(\$28,300)	(\$28,300)	86.1%	86.1%
OHTCALMA	N/A	N/A	N/A	N/A	N/A	N/A
OPLKALMT	\$653,638	\$946,229	\$553,082	\$830,479	-15.4%	-12.2%
PDMTALMA	\$107,779	\$85,883	\$84,573	\$61,489	-21.5%	-28.4%
PHCYALFM	N/A	N/A	N/A	N/A	N/A	N/A
PHCYALMA	N/A	N/A	N/A	N/A	N/A	N/A
PNSNALMA	\$536,019	\$597,146	\$453,305	\$510,761	-15.4%	-14.5%
PRSHALNM	N/A	N/A	N/A	N/A	N/A	N/A
PRVLALMA	\$600,622	\$842,157	\$507,795	\$737,842	-15.5%	-12.4%
RDBAALMA	\$56,066	\$25,228	\$38,163	\$6,401	-31.9%	-74.6%
RLVLALMA	\$333,447	\$375,337	\$278,300	\$314,210	-16.5%	-16.3%
RRVLALMA	\$85,886	\$66,590	\$61,317	\$41,439	-28.6%	-37.8%
SELMALMT	\$714,507	\$1,092,204	\$597,564	\$957,687	-16.4%	-12.3%
SHFDALMT	\$964,312	\$1,477,891	\$850,844	\$1,343,087	-11.8%	-9.1%
STSNALMA	N/A	N/A	N/A	N/A	N/A	N/A
SYLCALMT	\$474,460	\$564,719	\$398,294	\$481,873	-16.1%	-14.7%
THVLALMA	\$44,346	\$44,346	\$21,002	\$21,002	-52.6%	-52.6%
TLDGALMA	\$405,892	\$723,810	\$346,235	\$653,475	-14.7%	-9.7%
TLDGALRF	N/A	N/A	N/A	N/A	N/A	N/A
TROYALMA	\$327,908	\$448,506	\$277,040	\$389,948	-15.5%	-13.1%
TSCLALDH	\$660,922	\$985,729	\$542,674	\$851,716	-17.9%	-13.6%
TSCLALMT	\$2,084,060	\$3,317,208	\$1,879,342	\$3,065,488	-9.8%	-7.6%
TSCLALNO	(\$20,360)	(\$35,383)	(\$110,280)	(\$131,840)	441.7%	272.6%
TSKGALMA	N/A	N/A	N/A	N/A	N/A	N/A
TWCKALMA	N/A	N/A	N/A	N/A	N/A	N/A
UNTWALNM	(\$30,548)	(\$30,548)	(\$40,978)	(\$40,978)	34.1%	34.1%
VNCNALMA	N/A	N/A	N/A	N/A	N/A	N/A

**COMPARISON OF BELL SOUTH WIRE CENTER NPV TO AT&T WIRE CENTER NPV
 FOR CHURN INCREASE OF 25 PERCENT**

Wire Center	BellSouth Opening		AT&T Rebuttal		Percent Change	
	<u>Mass</u> <u>Market NPV</u>	<u>Total</u> <u>NPV</u>	<u>Mass</u> <u>Market NPV</u>	<u>Total</u> <u>NPV</u>	<u>Mass</u> <u>Market NPV</u>	<u>Total</u> <u>NPV</u>
WBTNALNM	N/A	N/A	N/A	N/A	N/A	N/A
WRRRALNM	\$336,119	\$349,395	\$270,835	\$282,004	-19.4%	-19.3%
WTMPALMA	\$379,947	\$531,950	\$312,312	\$457,284	-17.8%	-14.0%
YORKALMA	N/A	N/A	N/A	N/A	N/A	N/A
	\$59,795,919	\$91,648,862	\$51,959,148	\$82,438,854	-13.1%	-10.0%